# DOMINION OF CANADA

## OFFICIAL REPORT

OF

# DEBATES
# HOUSE OF COMMONS

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FOURTH SESSION—SEVENTEENTH PARLIAMENT

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23-24 GEORGE V, 1933

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CANADA

# House of Commons Debates

OFFICIAL REPORT

## Tuesday, November 15, 1932

The house met at three o'clock.

### UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house several orders in council passed pursuant to the relief measures, all referring to payments of money.

### REPORT OF PIG COMMISSION

Hon. H. H. STEVENS (Minister of Trade and Commerce): I wish to lay on the table of the house the report, asked for last night by hon. members, of the British reorganization commission on pigs and pig products.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### SASKATCHEWAN RELIEF COMMISSION

Mr. BOTHWELL:

1. What returns, if any, has the government received from the Saskatchewan relief commission, or the Saskatchewan government, this year, on account of the notes taken from farmers of that province for relief extended from September 1, 1931, to date?

2. What moneys, and on what dates, have been advanced by the government to the Saskatchewan relief commission, or the Saskatchewan government for relief purposes, since March 31, 1932?

3. What is the amount of indebtedness incurred by the Saskatchewan relief commission, and not paid, up to November 1, 1932?

Mr. GORDON:

1. None.

2. To the Saskatchewan government for the credit of the Saskatchewan relief commission for relief: May 19, 1932, $1,500,000; July 25, 1932, $2,000,000; August 18, 1932, $1,500,000 and for seed and seeding operations: April 6, 1932, $2,000,000; April 12, 1932, $2,000,000; May 4, 1932, $2,000,000.

To the Saskatchewan government by way of loans to enable the province to make loans to municipalities, and for other governmental services: April 24, 1932, $500,000; September 14, 1932, $646,962 04.

3. No information.

#### UNEMPLOYMENT RELIEF—GRANBY, QUE.

Mr. TETREAULT:

1. Did the municipal council of the township of Granby make an application for unemployment relief money in 1930?

2. If so, what was the amount?

3. On what date did the provincial government of Quebec produce its accounts with respect to this application?

4. Were representations made to the federal government regarding the settlement of these accounts?

5. If so, by whom and on what date were such representations made?

Mr. GORDON:

1 and 2. Under the Unemployment Relief Act, 1930, federal approval was given to a program of relief works submitted by the province of Quebec on behalf of Granby township, consisting of road works, water works, and bridge work, the total estimated cost of which amounted to $6,000, to which the Dominion government agreed to contribute 25 per cent or $1,500.

3, 4, and 5. No accounts have yet been received from the provincial government in respect to the works above referred to. On August 11, 1932, the Dominion wrote to the province stating that it was understood that accounts covering the works referred to had been forwarded to the province by the municipality, and asking if accounts would be rendered to the Dominion government. Under date of August 24 the provincial authorities replied stating that they were awaiting a reply to communications addressed by the province to the municipality.

#### CLARK STEAMSHIP COMPANY

Mr. LAVERGNE:

1. Did the Clark Steamship Company receive subsidies from the government during the past ten years?

2. If so, what were the amounts of subsidies and for what purposes were they granted?

Mr. STEVENS:

1. Yes.

2. (a) For each season of navigation on the St. Lawrence from 1922 to 1924, inclusive: (1) Quebec and Natashquan, etc., $85,000 per

season for a weekly mail, passenger and freight service on the north shore; (2) Quebec, Gaspé and Paspebiac, $30,000 per season for a fortnightly passenger and freight service on the south shore.

(b) For each season of navigation on the St. Lawrence from 1925 to 1934, inclusive; (1) Quebec and Natashquan, etc., $85,000 per season for a weekly mail, passenger and freight service on the north shore, with larger ships; (2) Quebec (or Montreal) and Gaspé, $60,000 per season for a weekly passenger and freight service on the south shore, with larger ships.

(c) Murray Bay and North Shore (winter service): (1) December, 1928 to March 1929, inclusive two round trips each month between Murray bay and north shore ports: Subsidy, $32,900 for the season. (2) December 1929 to March 1930, inclusive two round trips each month between Murray bay and north shore ports, Subsidy, $32,900 for the season.

SS. ARCTIC

Mr. CHEVRIER:

1. What amount of money, if any, was paid by the Canadian government to any one as compensation, damages or otherwise in connection with the death of Wilfrid Caron, third officer of the ss. Arctic?

2. What amount of money, if any, was paid by the Canadian government as compensation, damages or otherwise in the case of the death of Desmond O'Connell, drowned in trying to save one Wilfrid Caron on the night of July 9, 1923?

3. If any money was paid in the case of Desmond O'Connell: (a) to whom was it paid; (b) what was the amount paid; (c) on what date was it paid?

4. Were the lives of Wilfrid Caron and Desmond O'Connell covered by any Workmen's Compensation Act?

5. If any settlement was made in both or in either of the above cases, what were the terms and who were the parties thereto?

Mr. MURPHY:

1. $3,920.44 (Grant $3,500, funeral expenses, etc. $420.44).

2. $1,914.65 (Grant $1,500, funeral expenses, etc. $414.65).

3. (a) His mother. (b) $1,500 (c) June 30, 1924, $500, July 26, 1924, $1,000.

(a) Lucien Warren (b) $179.45 (c) Oct. 23, 1923.

(a) The Journal Dailies (b) $11.20 (c) Nov. 9, 1923.

(a) Brady & Harris (b) $224.00 (c) Nov. 9, 1923.

4. The legal officers of the crown did not think so and special grants were obtained from parliament.

5. Answered by No. 3.

[Mr. Stevens.]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICE EMPLOYEES—DISMISSALS

Mr. POULIOT:

1. Were employees of the Post Office Department dismissed since the month of August, 1930, on charges of political interference in connection with provincial elections?

2. If so, how many of these employees were dismissed since that date in each province for political interference in connection with provincial elections?

POST OFFICE DEPARTMENT—RESIGNATIONS

Mr. POULIOT:

1. Since August 1, 1930, have any postmasters resigned after receiving a circular from the Post Office Department?

2. If so: (a) to how many postmasters in each province were circulars forwarded; (b) how many postmasters resigned in each province after receiving these circulars; (c) what are the names and respective addresses of those who resigned in the province of Quebec, and the date of resignation of each postmaster?

## WHEAT MARKETING

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): The Prime Minister said yesterday that he would ascertain whether orders in council had been passed concerning guarantees for the sale of grain.

Right Hon. R. B. BENNETT (Prime Minister): I was about to rise to inform the house that the order in council of September 12, 1931, P.C. 2238, was dealt with last year and was also referred to by the Minister of Finance in the budget. Order in council P.C. 1576 of July 11, 1932, was precised and notice thereof given in the Gazette according to the terms of the statute of July 16, 1932, at page 133. Order in council No. 2077 of September 20, 1932 was precised and an abstract then made was published in the Gazette on October 1, 1932, at page 784, all in accordance with the terms of the statute. I will lay them on the table now or send them to my hon. friend. Perhaps they had better be laid on the table.

## SOLDIER SETTLEMENT—MR. F. N. MURPHY

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Labour. I have in my possession correspondence in connection with a returned soldier by the name of F. N. Murphy,

of northern Saskatchewan, who joined the first battalion early in the war and was demobilized in 1919. When he returned he was placed on land purchased by his father. The father never lived on the land, the soldier himself having lived there from the time it was purchased. Since this man has not had any revaluation of that land, no discount, while others who apparently were never in the front line trenches have had a revaluation, will the minister investigate the matter and see that justice is meted out to this returned man, who is trying to make a living on that land in northern Saskatchewan.

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): Had the hon. member referred this inquiry to me or to the soldier settlement board, the information would have been promptly forthcoming. There is no question in my mind, without even referring to the file, that this returned soldier would have received a revaluation under the remedial legislation passed by this house if he had fallen within the statute as then passed. There is no question about it. In all the files I have reviewed I have never come across one single case where a returned soldier was refused the right to take advantage of this remedial legislation. As regards the present case, I will look into the matter and a reply will be given either directly to the hon. member or in the house.

Mr. McINTOSH: I might say for the benefit of the minister—

Some hon. MEMBERS: Order.

Mr. McINTOSH: I am giving him information. I might say for the benefit of the minister that every request made of the department met with but one answer, namely, "Mr. Murphy is not a returned man"—referring to the soldier's father. I think it is time an impartial investigation was held and the matter cleared up, because up to the moment nothing has been done—nothing but discouragement to the soldier affected.

## FARM RELIEF—SASKATCHEWAN

On the orders of the day:

Mr. T. F. DONNELLY (Willow Bunch): I wish to direct a question to the Prime Minister. I have here a telegram which I have received from the secretary of representatives of eleven villages in the drought-stricken area of southern Saskatchewan. They state that they are unable to pay their share of the cost of direct relief this winter because they have not the money. They are willing, however, to obligate themselves to repay later on their share of the amount required. Will the Prime Minister assure the house that the government will help these villages to finance the situation so that they may be in a position to take care of their destitute in the coming winter. Is he willing to confer with the representatives from this drought-stricken area with a view to enabling them to meet the situation?

Right Hon. R. B. BENNETT (Prime Minister): The position has been made so clear and so many times that one is rather surprised that such a question should be asked by any hon. member. The Dominion government has no contact with villages or other municipalities. They will make their claim to the provincial administration and the government of the province communicates with the dominion. It is the only constitutional means by which communication can be maintained between the municipalities and the dominion, namely, through the provinces; and in all other provinces, as in that province, such communications are going on from time to time as the occasion may necessitate. If the villages will communicate with their government at Regina, I am perfectly certain that that government will take the proper action.

Mr. DONNELLY: I want to thank the Prime Minister for the consideration he has given these destitute people.

## RADIO COMMISSION

On the orders of the day:

Mr. JOSEPH A. BRADETTE (Timiskaming-North) (Translation): Mr. Speaker, according to a newspaper item recently published, the radio commission is to undertake an inspection tour, shortly, throughout Canada. In the absence of the hon. Minister of Marine (Mr. Duranleau), perhaps the hon. Solicitor General (Mr. Dupré), might inform the house whether it would be possible for the commission to begin its inspection in New Ontario, where radio reception is very poor?

Hon. MAURICE DUPRE (Acting Minister of Marine) (Translation): In reply, may I state that nothing has been decided in this respect. However, I shall be pleased to communicate to the commission the wishes of my hon. colleague.

## BROADCASTING LICENCES

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Solicitor General, the Acting Minister of Marine, whether it is true that new licences for broadcasting stations have been issued recently.

Hon. MAURICE DUPRE (Solicitor General): I do not think any have been issued since the commission was appointed.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

The house resumed from Monday, November 14, consideration in committee of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom—Mr. Bennett.—Mr. LaVergne in the chair.

The CHAIRMAN: We are on article 6. Shall this article carry?

Mr. MOTHERWELL: I presume that now that the government has tabled the report of the pig commission in the United Kingdom we shall be in a position to get a summary of it today. Of course, it does not remain long on the table before it goes into the usual channels of distribution. Sooner or later it will be available to the house. Could we get a summary today from the minister?

Mr. STEVENS: I would point out again to the committee that as far as the government is concerned we are most anxious to give the fullest possible information. I have before me a brief summary of this report but it must be remembered that until this report has been given effect to by legislation of the British parliament, discussion, other than the perusal of an interesting document, cannot have any effect upon the acceptance or otherwise of the agreement. I think that fact should be borne in mind, otherwise we are liable to get into a long discussion in connection with the views of the British pig products commission without adding anything to the usefulness of the debate. I again assure the committee that as far as I am concerned and I am sure as far as the government as a whole is concerned, we are most anxious to give the fullest possible information compatible with the reasonably expeditious passing of the business before the committee. There has not been time to study the very voluminous report of this commission, but after glancing through it I believe the following points might be of interest to the committee.



First, that although Great Britain consumes sixty per cent of the world's exports of pig products, the industry in that country is poorly organized and has at least fifteen important weaknesses.

Second, the bacon supplies must be stabilized and imports restricted. The sale of pigs under an annual contract system between pig raisers and the curers, together with the application of a quota system on imports, are recommended.

Third, the curers receive spasmodic instead of regular supplies due to the allocation of a large amount of pig production to the pork market. I might say that this report differentiates very clearly between bacon hog production and pig products or ordinary pork production. Segregation of the bacon and the pork requirements is recommended, the former to be carefully controlled by contracts and import quotas, the latter to be left unregulated.

Fourth, the cost of production of bacon in Great Britain is much too high owing to inefficiencies in the industry. I want to make it clear that these are the views of the commission; I am offering no opinion.

Fifth, research in connection with pig offal and other by-products is to be undertaken.

Sixth, a well organized markets intelligence service responsible to the development board is to be inaugurated.

Seventh, a pigs marketing board and bacon marketing board responsible to the pig industry development board are recommended for the rationalization of the industry and a quota advisory committee to determine requirements of bacon in Great Britain.

Very roughly stated, these are the matters dealt with in the report. There are certain statistics given but I think they really repeat what were given yesterday. However, for the information of the committee and its guidance and enlightenment, I shall give the percentages of total imports from different countries. The report gives the following percentages for the period January to August, 1932:

| | Per cent |
|---|---|
| Denmark | 64 |
| Poland | 9·8 |
| Netherlands | 5·9 |
| United States | 4·5 |
| Sweden | 3·7 |
| Lithuania | 4·2 |
| Irish Free State | 1·4 |
| Canada | 3 |
| Other countries | 3·5 |

Mr. DONNELLY: According to an editorial which appeared in a recent issue of the Live Stock Journal, it would appear that what the minister has just said is correct, that, practically speaking, this is to be a quota system.

Mr. STEVENS: It is difficult to hear the hon. member.

Mr. DONNELLY: I gather from this editorial that this matter is to be organized in England along much the same lines as the wheat pool was organized in Canada, the farmers of Great Britain are to sign up and those who do sign up will receive certain consideration and certain prices for their hogs, while the others will receive no consideration whatever. Perhaps I had better read a sentence or two from this editorial which puts the matter in shorter form.

An hon. MEMBER: What paper is that?

Mr. DONNELLY: The Livestock Journal, a well known British publication. The editorial reads:

> The farmers will be guaranteed a return that is to vary reasonably with the cost of feeding of normally used feeding stuffs. It will not be a price obtainable by anybody who may choose to send a pig to the nearest factory regardless of the factory's current requirements. It is one to be paid for pigs contracted to be sold.

In other words, the man who signs this contract will be guaranteed a price and the man who does not, will not be guaranteed a price. What I should like to know is whether the Canadian farmer who exports hogs is to be in the position of the farmer in Great Britain who signs a contract or of the farmer who does not.

Mr. STEVENS: I must repeat that editorial opinions based upon this report, no matter how intelligent they may be, cannot be accepted as the decision of the British parliament. It would be but poor speculation for me to answer the question of my hon. friend. I emphasize again the futility of entering into a discussion of this question of contracts. I am bound to say to my hon. friend, if I say anything, that it is suggested in the report that there shall be contractual arrangements entered into internally between growers and producers and, externally, with importers, the whole basis being the regulation of the pig and pork industry of Great Britain. I appeal to hon. gentlemen and state that any opinion which I might offer is quite worthless because the British government itself has not come to a decision upon the matter. I think hon. gentlemen should be at least reasonable in the questions they ask; I am willing to answer any question which it is possible to answer, but there are certain things I cannot answer. I do not wish to be discourteous to my hon. friend, but I think he will see the point in my observation.

Mr. DONNELLY: I quite agree with the minister that anything he might say to us apparently is not of any value in connection with this matter. I am thoroughly convinced that this is another promise, a promise to do something which will never materialize. I say to the minister that the farmers throughout the country have been fed up with these promises and we think it is time we got something real, something which will be of some advantage. Last night the Minister of Agriculture (Mr. Weir) told us that he never advocated a greater production in pigs. I sat in the audience up in Clinton in South Huron and listened to him speak. If he did not advocate a greater production in the hog industry then I do not understand the King's English—I'm a Chinaman.

Some hon. MEMBERS: Hear, hear.

Mr. DONNELLY: He told us distinctly that in 1931 he did not advocate going into pigs but he told us also that he went around the country and sold a lot of sows to the farmers. He said he had gone out of the pig growing industry himself at that time, but he said that at the time of speaking he had again taken up pig raising. He said that he thought we were going to get a better price for our hogs and he advised our farmers to go into the hog industry. There is no mistaking the words he uttered there. I do not understand English if that is not the impresion he left on the audience. This is just another promise, another shifting, and the farmers getting nothing. We had the same thing during the 1930 election campaign and we are still getting it.

Mr. WEIR (Melfort): It is scarcely necessary to rise, because no one knows better than the hon. gentleman who has just spoken that if he was in the Clinton audience and heard what I said, he did not hear me say what he reports me as having said.

Mr. YOUNG: If I correctly understand article 6 of the agreement, it is this, that Great Britain declares her intention of establishing a quota system, and further on that if she does so, our share of the quota will be

2,500,000 hundredweight which will be admitted into British ports free of duty. But that admission free of duty is conditional on Great Britain establishing a quota system. Supposing she declares her intention of establishing such a system, and in the report just read by the minister that is recommended to the British government. For my part I find it very difficult to understand how she can make a quota system work, and it is my opinion that when she has tried it, the British government will have to modify its plans and perhaps have to abandon that system. If then Great Britain does not establish a quota system; if she desires to protect her hog producers by means of a tariff, then under this agreement not a single pound of Canadian bacon can enter the United Kingdom free of duty.

Mr. STEVENS: My hon. friend is all wrong in that. That is provided for in the agreement.

Mr. YOUNG: The article distinctly states:

> In any legislation which they may submit to parliament for regulating the supplies of bacon and hams from all sources into the United Kingdom—

—up to a certain point. That is only the quota regulation. Under no other condition shall we get free entry.

Mr. BENNETT: That is not so.

Mr. YOUNG: That is the way the article reads.

Mr. SPEAKMAN: In studying article 6, in which naturally I take a certain amount of interest, I must confess with others I am unable to determine exactly what measure of assistance will be given. That has not yet been decided. The interpretation I can draw from it, however, is this, that the condition of the pig industry in Great Britain being unsatisfactory, a commission has been appointed which has now completed its work, its purpose being the reestablishment of the pig industry there, which must carry with it some degree at least of price stabilization at a decent level. This may be done in one way or another. The quota system may be applied in different ways, but one application of it might well be this, that having estimated the number of hogs which can properly be produced in Great Britain, they will admit into that country freely no more than sufficient to make up any deficiency as between the amount produced at home and that required for home consumption. When one speaks of regulating the hog industry and regulating imports, the most common way of regulating imports is to erect some sort of barrier against imports in excess of the amount required, and this barrier would in all probability be a tariff in some shape or form. Then, within the amount necessary, a certain amount will be allotted to the different dominions, each of whom might ship in freely within the restricted marketing field the amount allotted to it. The probabilities then are—and again I am in the position of all others that we do not know just what Great Britain will do—if the importation is regulated and restricted by means of some form of tariff against other commodities and against quantities in excess of the British requirements, the effect will be a rise in price and we, having our product admitted free up to the maximum allowed us, will receive the advantage of that increase. I see at least some hope, while not one that would lead me as a farmer to raise many hogs, that after the law has been passed and the regulations brought down, we shall share in the improved conditions and better markets in Great Britain.

There is, however, another point I want to bring forward at the moment. I am not going to stress again the question of exchange. That applies, of course, to hogs as to other commodities and it has been thoroughly dealt with on all sides and on many occasions. But let me suggest that with hogs above anything else, if we are to take advantage of this market, we must be in a position to regulate, supervise and control not only our own hog production, but our hog export and our hog market. To take full advantage of this, it will be essential that the marketing board which was discussed a few months ago should be established, because to me at least, it is obvious that one of the chief conditions under which the British importers will do business with Canada will be that they may depend at all times upon receiving from this country the requisite number of hogs week after week and month after month, no matter what the state of the market may be. I come from the mother country, but that was a long time ago. From what I know of British habits, from what I have read and heard from men with whom I have spoken, I gather that the British importer will not take the trouble to advertise and to develop a taste for hogs or any other commodity

coming from Canada or any other country unless he is quite certain that, after he has developed that appetite and the potential market, the market will be filled.

While the conference was in progress and while I was in attendance to gather the crumbs which fell from the rich man's table, I had an opportunity of coming into contact with a number of the delegates and officials there. That question was discussed by me with them and there was unanimity on the part of all those from Great Britain with whom I spoke, that while that country would be quite willing to transfer a portion of her trade in bacon and other commodities from Denmark and other countries outside the empire to Canada, that could be done only if the British importers and consumers were as well assured of receiving a regular supply of uniform quality from us as they are now assured of receiving from Denmark. The same provision applies to cattle. To my mind it is obvious that if we are to get this business, the appointment as soon as is reasonably possible of an export board which can supervise and control that trade, becomes essential. I know this is in the mind of the government. May I express the hope that in order that we may take as full advantage as is possible of whatever conditions may be imposed—and it will be noticed that I am not speaking now of what conditions may be imposed—not only will the question of exchange be dealt with, but a marketing board will be established which will be able to guide, regulate and control that trade so that we may take full advantage of any opportunities that are offered.

Mr. POULIOT: Would it not be appropriate to quote Shakespeare on the matter? Is it not refreshing to think that this agreement can be compared with that well known play A Midsummer Night's Dream?

Mr. MACKENZIE (Vancouver): Much Ado About Nothing.

Mr. POULIOT: This article is very interesting; it relates to the pig industry, but it should read the "potential" pig industry. To complete article 6 may I read an excerpt from page 124 of Hansard of October 12, when the right hon. the Prime Minister said:

> Under favourable marketing conditions and with a price maintained continuously above the cost of production, Canada has potential possibilities—

Those potential possibilities are synonymous with hog futures:

> —for the production of 8,500,000 hogs by 1937—

When several of us and many farmers throughout this country will be dead, as well as many hogs:

> —permitting of an export volume of 300,000,000 pounds of bacon and 10,000,000 hogs by 1942, permitting of an export volume of 500,000,000 pounds of bacon and hams.

That is an enormous, a voluminous quantity of hogs and bacon and ham. During the last weekends I had the opportunity to visit and meet farmers in different communities in Ontario and Quebec, and I find that the farmers are reading Hansard with great interest. They read the speeches made by every member of this house and pay particular attention to the speeches delivered by the right hon. gentleman who leads the government. They tried to read between the lines of the excerpt I have just quoted to understand what the right hon. gentleman meant by potential hog possibilities. They asked me for an explanation and I gave the same explanation to the farmers of Ontario that I gave to the farmers of Quebec. I said: Suppose Joe want to borrow $500. He goes to the bank manager who asks him, "What is your security?" Joe replies, "I can offer you gilt-edged security, something as good as a first-grade bond, and that is my potential hog possibilities in five years, that is, the hogs I shall have by 1937." Then another fellow said, "What should I do to get $1,000?" I told him that was very easy, that he had only to go to the bank manager and offer him as security his potential hog possibilities in the next ten years. "Oh," he said jokingly, "write it down on paper and I will go to the bank manager and see him about it."

The reason, Mr. Chairman, why the farmers are in difficulties at the present time is because of the low prices of agricultural products. Conditions are so bad that in one township not far from here the farmers owe $75,000 for tax arrears. Will they be able to pay those tax arrears with potential hog possibilities? I do not know, but it seems rather doubtful. Prosperity was to come back, but as the lady has not yet returned I hope that the government will do something more definite for the relief of the farmer than simply to offer him these potential hog possibilities.

Mr. SPEAKMAN: There is one point I forgot to mention in connection with the export price, and it is really a very important point. As those who are at all familiar with the industry well know, a small exportable surplus hanging over the market and with no adequate facilities arranged for its sale, has a very deleterious effect upon the domestic price. Last year, for example, for about two months centreing around August and September, the average price of hogs in Canada fell from eight to four cents a pound. No new factor had been introduced during that time except this, that our production had slightly increased and that in consequence there had come on the market five per cent of an exportable surplus. The advantage of being able to export such a surplus is not merely in the price which you may receive for that exportable surplus itself, but there is the greater advantage of ridding the domestic market of that quantity in excess of domestic requirements. It does seem to me that to have even an open market in which we can get rid of that exportable surplus, even though the price may not be very attractive, has a very beneficial and stabilizing effect upon the prices received for the far greater number of animals sold in Canada itself. That is one point which we must keep in mind when we are considering the export of such commodities as hog products and other products of that type, when for the present at least and during recent years the number we export is but a very small percentage of our total sales.

Mr. SANDERSON: Mr. Chairman, I noticed in the press this morning that the Hon. Howard Ferguson, Canadian High Commissioner in London, had given a statement to the press—I think on Saturday—in which he prophesied that, owing to article 6 of this treaty, the hog industry in the Dominion of Canada would make every Canadian farmer rich within the next year or two. I would like to ask the Minister of Trade and Commerce if it is possible that the High Commissioner has some information about this matter that the minister has not got. No answer.

Mr. STEVENS: Mr. Chairman, that sort of tactics is not fair. My hon. friend knows very well that as long as he is on his feet I am not privileged to get up. He is not going to get away with that sort of thing.

Mr. SANDERSON: I am sitting down.

Mr. STEVENS: I was waiting until my hon. friend followed the ordinary course in debate and sat down to permit me to rise.

[Mr. Pouliot.]

There is an answer and a very definite answer. In the first place it would be an extraordinary thing if Hon. Howard Ferguson did not have more up-to-date information than I have about what is happening in England; there is no doubt in the world that he has, because he is a very live individual and is very closely in touch with what is going on. It might be of interest to the committee for me to give the substance of a cablegram that we have received from our own officers in London. It is to the effect that the British government has already taken action to reduce the imports of bacon from continental countries by twenty per cent, effective midnight November 22, and that Danish prices and Canadian prices have advanced four shillings per hundredweight already. I am not advancing that, and I would suggest to my hon. friends opposite not to interpret it as such, by way of suggesting that some wonderful utopian period is being ushered in. I am stating it as a simple fact. It is an indication which I think we can reasonably accept that this particular arrangement is going to be beneficial to Canadian trade.

Mr. SANDERSON: I had no intention of being discourteous to the minister at all.

Some hon. MEMBERS: Oh, oh.

Mr. SANDERSON: I wish to say to hon. members opposite that I have nothing to learn from them. Apparently the minister is not quite sure whether the High Commissioner in London has any more information about this matter than he has. I shall come nearer home. A few days ago the Minister of Agriculture in the Ontario legislature, Colonel Kennedy, made a statement in which he pictured a very rosy future for farmers in the hog industry. He said that in a year or two the hog industry would increase ten fold or twenty fold, and that it would come to a point—and I am suggesting that he is probably a prophet or a son of a prophet—whereby as a result of this wonderful treaty the farmers in the province of Ontario would be able to pay their taxes from their activity in the hog industry. Perhaps he had some information the Minister of Trade and Commerce has not got.

A few moments ago the minister said discussion was futile; I think that is correct. There is not a single, solitary commitment in article 6 which will benefit the farmers in Canada engaged in the hog industry. It is all eye-wash and window dressing. It is possible that something may work out of it, but in the meantime there is nothing to it at all. The minister and his supporters say, "Look

at what this government has done for the farmers in Canada." A few moments ago he quoted prices, and in that connection I want to say to him that on Saturday in the county of Perth the farmers received only 2.90 cents per pound for their hogs. That is the lowest price paid for hogs in the history of farming in the province of Ontario. Yet this government comes to parliament with not even a half-baked article concerning this important industry. They would have been far better if they had left to some future date, this alleged aid to the hog industry, because I want to tell the Minister of Trade and Commerce—and the Prime Minister who, I am glad to see, is in his seat—that the farmers of the province of Ontario are fed up, sick and tired of promises made by this government to them. They want something real. They want the government to fulfil some of its promises. If this agreement is all that is to be offered the farmers of Ontario, so far as the hog industry is concerned, they will soon learn that there is nothing to it at all.

True, this discussion is futile, but the fault is not with the opposition but with the government. They bring in an article which means nothing at all. It simply means that if so and so happens, or if the commission happens to report so and so the United Kingdom may take a certain amount of Canadian bacon and ham at world prices. It offers no solace or comfort to the farmers in Ontario. I make that statement despite what the Prime Minister, the Minister of Trade and Commerce, the Minister of Agriculture in Ontario or that great mogul the High Commissioner in London, may have to say.

Mr. POULIOT: Mr. Chairman, I will come to the rescue of the Hon. G. Howard Ferguson, and explain why he has given an interview to the press. At page 14 of the Montreal Gazette for Saturday last I find the following:

> The High Commissioner, the Financial Times said, predicted that Canadian farmers were going to be more prosperous than they had been for a long time and that the British bacon quota would do more for them than any other single thing.

There is one reason for that statement, and it is this: Mr. Ferguson, the High Commissioner is a farmer. On his farm down at Kemptville he has great potential hog possibilities.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: Why do you protest? I am defending him with all my strength.

Mr. MOTHERWELL: Mr. Chairman, I am not going to prolong this debate but I should like to express my appreciation of the fact that the minister by tabling the British hog commission report has at least given something to hang our hats on.

Mr. POULIOT: Do the hon. gentlemen opposite desire the Hon. Mr. Ferguson to carry his potential possibilities with him?

The CHAIRMAN: The hon. member for Témiscouata should remember that the House of Commons is a gentleman's club. In this particular instance the hon. member for Melville has the floor.

Mr. MOTHERWELL: We have something before us that we can hang our hats on. We are now in a position to go home and tell our constituents that after persisting a long time we received a summary of the report upon which all our hopes have been raised for the past two or three months with respect to anticipated hog production and marketing in Canada, and throughout the empire. True, the summary is not very extensive, but perhaps it is the best the minister could give. As I mentioned yesterday I have before me a summary which appeared in the Livestock Journal, made by a very reputable editor. Although the summary before me goes much farther than does that of the minister, it bears out to a great extent what he has said. It indicates also that about three-quarters of the report concerns the production of hogs. Great Britain has reached the stage when she has to do something to reduce the vast number of breeds of hogs obtaining in that country. But we know that in Canada that action was taken long ago. They are about ten years behind us in this and other respects in relation to the grading of farm products. A great deal of their activitiy has been directed towards securing good quality, and an effort to secure a desirable type of bacon hog for the market. Then, further, the summary before me mentions a number of matters in connection with breeding. I shall not go into that, however, except to draw attention to it. A comparatively small part of the report deals with marketing. I do not know that we can do anything but simply wait and see how this thing turns out. I would appeal to the government, however, not to encourage our farmers to enter into an active hog producing campaign at a time when hogs sell for only two cents a pound at western points.

I would suggest that we do not produce more and more hogs until we can see what the effect of the agreement may be on hog prices. Those countries nearer to the British market will learn more quickly the condition of the bacon market, and we do not need to scurry into the production of more hogs, thereby probably sagging the market still lower.

We have in Canada a low farm commodity price, a condition such as we have never known before, a condition which affects not only hogs and hog products but the entire list of farm commodities. In fact, Mr. Chairman, never since Adam was a boy, as the old saying goes, have hogs been as cheap as they are today. Yet the government is not only contemplating but has actually entered into a campaign for greater hog production. I make that statement, notwithstanding what has been said by my good friend the minister. I came back on the train with some of his officers, and I have been reading the newspapers which latter certainly indicate that that was the purpose of their meetings in Saskatchewan. I believe the government would do well to be a little canny in entering into one more crusading campaign looking to more hog production, for fear they make the situation worse. Time enough to get excited when we see how the trade arrangement works out. In the meantime all we can do is to look on, and continue steadily with our own operations—not jumping in and jumping out—but continue steadily with our program of always growing some hogs for the market, to the extent of the feed and water supply available and the prevailing prices. By that process we will hit it right sometimes, at all events. But jumping in and jumping out, you may miss it both ways, miss it at every jump. I would strongly advise against any such policy.

May I refer to the answer given yesterday to the hon. member for Lisgar (Mr. Brown):

> Mr. Brown: Is there any suggestion in the report that they might put a tariff on foreign hogs?
>
> Mr. Weir (Melfort): Before the commission went into session a suggestion was made by certain associations in the old land that a tariff should be put on against even the dominions, the pig producers of the United Kingdom to have preference over all. However, I do not think that that is recommended in this report.

Well, I sincerely hope not only that the minister does not think it, but that he is quite sure it is not recommended. But I wish to draw it to the attention of the committee that there is in the old country a very definite desire on the part of the pig association, or whatever the official name is, to have a duty levied on foreign hogs and also on the hogs of the dominion. There is no question about that.

May I ask the Minister of Agriculture (Mr. Weir), if there were any other organizations, departmental officials or anybody who supported this idea, either before the hog commission or before the economic conference here in Ottawa so that we may know just where we stand in respect to this matter; and why a quota was selected instead of a small tariff, such as apparently the pig growers in the old country really desired?

May I also ask the Minister of Agriculture—the Minister of Trade and Commerce will excuse me directing my question to the Minister of Agriculture, who was after all the first to divulge that he had the report; I quite understand he may have got it that morning and not had an opportunity of telling his colleagues—if there was any discussion before the commission that he is aware of, indicating that other organizations or associations or individuals were also desirous of having a duty placed upon bacon and hams in the United Kingdom?

Mr. STEVENS: Canadian associations or United Kingdom associations?

Mr. MOTHERWELL: My question included all. Whether it was before the commission in Great Britain or before the economic conference here in Ottawa.

Mr. WEIR (Melfort): I do not think we are in a position to state what confidential recommendations were made in reference to it.

Mr. MOTHERWELL: Well, Mr. Chairman, that is the answer we always get. Anything that transpired at our own economic conference cannot be told, but we are told what transpired outside, before the commission in Great Britain. Well, I suppose if that is all that I can get, it is all.

Mr. MACKENZIE (Vancouver): I quite agree with the Minister of Trade and Commerce (Mr. Stevens) that it is absolutely useless to enter into a detailed discussion of this matter, because we do not know the nature of the legislation to be passed in the United Kingdom upon the recommendation of this commission. I would like, however, to direct one observation to the Minister of Trade and Commerce. I have read the digest of the recommendations of the commission, and to my mind it does three things, besides setting up very elaborate machinery; first, endeavours to increase the price both to the producer in

England and to the producer in Canada; second, to stabilize the price; and third, to eliminate foreign competition by progressive limitation of foreign imports, directed mainly at Denmark. Now, Mr. Chairman, you also find in the recommendations of the commission that they hope in two years to double the production of bacon in the old land. So even if there were any advantage in this article, any "potential possibilities" as referred to by a previous speaker, for the producer of bacon in Canada, if as a result of the advocacy of the Minister of Agriculture and other hon. members the farmers of Canada go extensively into hog production, what guarantee have we that we will not entirely lose the United Kingdom market, or that a tariff will not be imposed against Canadian bacon of that kind in the old country?

I also see, in regard to the telegram read by the Minister of Trade and Commerce from the High Commissioner's office in London, that there is already in the old country a wide agitation against the increase in bacon prices. You will find organizations like the Wholesale Grocers' Association of Great Britain already protesting most vigorously against this increase. Bacon as we know is the food of the poor, and this is already being called in Great Britain a "stomach tax" upon the poor. Even if we admit that there might be some benefit for the Canadian producer, there is great danger. There are going to be electoral contests staged in Great Britain, and this cry may be used by one or the other of the parties in regard to the "stomach tax" on the poor for the alleged benefit of producers of hogs in Canada. This whole agreement is crowded with potential perils such as I have mentioned, and instead of helping the cause of empire unity it is full of menace towards that cause. I think it is a pity if we are going to raise a barrier between the ordinary consumer in the old country and the producer in Canada, although I am in favour of any fair method that can help our producers.

But I agree with the minister that there is no use discussing this now, we do not know what the old country is going to do, whether they will accept the recommendation of that commission, which I think is a very able commission, so I do not see how the house can discuss this article any more than articles 1, 2, 3 and 4. The only article we can discuss is No. 5, because there we have something definite.

Mr. MACKENZIE KING: I should like to ask the minister if he acted on the suggestion made from this side of the house, that he inquire of the British government whether their interpretation of this section is in accord with his own; the point being that the minister contends, I understand, that the British government by this section obligates itself not to put any duty on bacon coming from this dominion for five years. If that is the view also of the British government we ought to know it authoritatively.

Mr. STEVENS: The position taken is that we have the agreement before us, and as I stated last night there is no dispute or misunderstanding as far as the British government and this government are concerned on the interpretation of this clause. Certainly it would be most inadvisable that upon any query being made as to the meaning of it a cable should be sent to the British government asking a re-interpretation, when the government, as far as we are concerned, are perfectly satisfied with the interpretation.

Mr. MACKENZIE KING: I do not agree with my hon. friend. If a difference of view arises in the House of Commons of Canada as to the meaning, and the minister is unable to say authoritatively that the British government interprets the section as he does, then it seems to me it is a duty which he owes to hon. members of this house and to the hog producers of this country to obtain as quickly as he can an exact statement from the British government. I believe the minister will yet regret not sending the message.

Some hon. MEMBERS: Carried.

Mr. POULIOT: Before it is carried may I make a suggestion to the government? I am very glad the Prime Minister is in his seat. Yesterday we heard that the government had guaranteed the wheat of the west. Whether it is good or whether it is bad I am not yet ready to express a view, but may I ask the government seriously to consider if it is not advisable to give the same warranty to the farmers who raise hogs, to those engaged in the dairying industry, in potato-growing, to those who have greenhouses, to those—

The CHAIRMAN: Order. The hon. member must state his question.

Mr. POULIOT: Well, I will put the question with reference to the hog industry, and it will not be with regard to a possible hog industry but the actual industry.

Mr. GOTT: What about the decline in exports due to the Australian treaty?

Mr. POULIOT: I thought the hon. gentleman was an expert only in onions.

Mr. GOTT: In bacon alone there was a decline of $20,000,000.

Mr. POULIOT: Let the hon. gentleman discuss that with Mr. Ferguson, and while he is in England we will have peace in the House of Commons. If the move that has been made by the government with regard to guaranteeing wheat is a good move, it is just as good for the hog industry. If it is necessary for the wheat industry it is just as necessary for the hog industry and for agriculture as a whole. For this reason I ask the Prime Minister whether he is not ready to consider at once guaranteeing the hog industry in order to provide some actual relief to the farmer in Canada the same as is done for the wheat business.

Article agreed to.

On article 7:

His Majesty's government in the United Kingdom will invite parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco, consigned from any part of the British Empire and grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco, so long, however, as the duty on foreign unmanufactured tobacco does not fall below 2/0½d. per pound, in which event the margin of preference shall be equal to the full duty.

Mr. GOTT: I have no desire to hold up the debate for one moment, but I should be remiss in my duty as a representative of a tobacco district if I did not point out one dangerous aspect of this agreement. I hope that my recommendation in this regard will be accepted. Article 7 reads:

His Majesty's government in the United Kingdom will invite parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco, consigned from any part of the British Empire and grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco, so long, however, as the duty on foreign unmanufactured tobacco does not fall below 2/0½d. per pound, in which event the margin of preference shall be equal to the full duty.

The tobacco growers of Canada certainly appreciate the fact that through legislation we are going to have 49 cents per pound preference on all tobacco grown in Canada, but I would draw attention to these words: "grown, produced or manufactured in Canada."

I would point out the possibility of United States flue-cured tobacco being brought into Canada and manufactured in this country for export, in connection with which there is a rebate of 99 per cent. That would permit the Canadian manufacturer to import American flue-cured tobacco on which he would pay the duty, and he would then enjoy a refund of 99 per cent of the duty if the tobacco were manufactured for export purposes. I hope the government will close up that gap by adopting these words: "grown, produced or manufactured in Canada from Canadian tobacco." That is all I want changed.



Mr. POULIOT (Translation): Mr. Chairman, I note, at page 128 of Hansard, English version, October 12, that the right hon. Prime Minister stated that the preference would greatly benefit those who grow the variety of tobacco known as Bright, in the district of Norfolk. I should also like to inquire whether the farmers who grew the varieties known as "Petit Quesnel, Petit rouge" and "Parfum d'Italie"—the latter being really a Canadian tobacco, notwithstanding its foreign name—will equally benefit by this preference, or whether it is but a sham. That is of great interest to farmers. It is not only a question as to whether preference will be really profitable to farmers of the district of Norfolk who grow the variety of Bright tobacco, but it is equally one of protecting the farmers who grow the "Parfum d'Italie, Petit rouge" and "Petit Quesnel" and all the other good varieties.

Mr. GOTT: Speak in English.

Mr. POULIOT: I apologize to the hon. member if I spoke a language that he does not understand. However, in order to be fair I will continue in English. I hope the government will be as fair to him as I am.

Mr. GOTT: I am probably the only member in the house who follows the hon. gentleman's speeches.

Mr. POULIOT: I thank the hon. gentleman for that remark and for his benefit I will continue to speak in English.

Mr. GOTT (Translation): Many thanks.

Mr. POULIOT: My hon. friend is certainly a genial colleague and he speaks very good French. Now, Mr. Chairman, there is something astounding in connection with the tobacco situation. I want to quote the words of the Prime Minister in his speech delivered on October 12. It is the credo of Toryism. It is an explanation by one who did not sleep on the night the agreement was signed. He

was on vigil and his remarks are of the utmost importance. That is why I am glad to quote them. The right hon. gentleman said:

In 1930, the United Kingdom imported 236,934,505 pounds unmanufactured tobacco, of which Canada supplied 3,976,017 pounds, while Canada's total exports for that year were 5,365,869 pounds. In 1929, Canadian exports were 7,244,045 pounds while for the first seven months of 1932 they were 8,941,215 pounds. The maximum Canadian production was in 1931, being 51,300,000 pounds.

Those figures show that the Canadians smoke Canadian-grown tobacco. The right hon. gentleman continued:

Canada's potential production of Bright flue-cured tobacco for five years may be conservatively estimated at 50 per cent increase, and within ten years at 100 per cent increase.

This is only a guess on the Prime Minister's part and there is nothing in it. We are promised a great future for tobacco just as we have been promised a great future for hogs, but this promise is just as empty as the pockets of the farmers. If they do not die of misery in the next five years they will be able to grow 50 per cent more tobacco; if they live for ten years, they will be able to grow 100 per cent more tobacco. I am sure this promise was made in good faith but there is nothing behind it, it is just a potential possibility for the tobacco growers. I should like to have something definite about this matter, I should like to have the particulars in connection with le petit Quesnel, le petit rouge et le parfum d'Italie.

Mr. SEGUIN (Translation): I cannot allow this item to carry without pointing out that I am rather amazed that my colleague the hon. member for South Essex (Mr. Gott), wishes to congratulate the government on the clause inserted in the trade agreements in connection with tobacco, when the right hon. Prime Minister (Mr. Bennett), explained this part of the agreements, I was astonished to hear him state that the existing duties would be maintained; I can find no changes. I immediately put the following questions to the hon. Minister of Trade and Commerce (Mr. Stevens):

1. What were the existing duties on Canadian tobacco entering the British market previous to the agreements entered into at the last Imperial conference?

The hon. Minister gave me the schedule comprising all these duties. I already had them.

2. What are the duties in force as a consequence of the agreements of the last Imperial conference?

To this the hon. Minister of Trade and Commerce replied:

That article 7 of the agreements between the United Kingdom and Canada, signed on August 20, 1932, secures for a period of ten years to Canadian tobacco the margin of preference above indicated on foreign tobacco, so long, however, as the duty on manufactured tobacco does not fall below 2/0½d. . . .

That is, the hon. Minister replied that there had been no change and that the preference which existed previously, would be continued for a period of ten years. I wonder, sir, what advantage will the Canadian tobacco grower derive from these trade agreements, since the preference remains the same. It is true that it is contended that our tobacco trade with the empire could be greater, considering the United Kingdom's large tobacco imports. However, if no further preference is given, I cannot see how our tobacco trade with the empire will increase. Our tobacco growers will therefore reap no benefit. The preference existing since 1923, is maintained, and, to make things worse, it is stated that this will be continued for ten years. I think that it is most deplorable for our tobacco growers, and I cannot do otherwise than draw the attention of the government to the fact.

Mr. CAYLEY: Mr. Chairman, there are a few points in this article which I should like the minister to make clear. I notice that the preference to be given is about 49 cents, but no guarantee is given that this preference will be maintained. The article reads:

His Majesty's government in the United Kingdom will invite parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco—

I shall leave out the next clause because it does not refer to Canada. The article continues:

—grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco,—

If we stop there we are sure of the 49 cents or the two shillings half penny per pound preference, but we must go on.

—so long, however, as the duty on foreign unmanufactured tobacco does not fall below two shillings half penny per pound, in which event the margin of preference shall be equal to the full duty.

Mr. GOTT: I think the hon. member has not read the article correctly; two shillings half penny per pound is not 49 cents.

Mr. CAYLEY: How much is it?

Mr. YOUNG: He does not know.

Mr. STEVENS: The question asked by my hon. friend is not unreasonable; he suggests that should the British parliament reduce the duty on tobacco to a point below two shillings half penny per pound—

Mr. CAYLEY: How much is that in Canadian money?

Mr. STEVENS: At par it would be about 49 cents but at present rates of exchange it would be worth 38 or 39 cents. Should they reduce the duty to a figure below two shillings half penny per pound, then the margin of preference would not be equal to that amount. That is arithmetically correct, but may I point out that in 1919 the margin on tobacco, stemmed or stripped, ten per cent or less of moisture, was eighteen and one-sixth pence; in 1925 it was twenty-seven and one-quarter pence, and in 1932, twenty-seven and one-quarter pence. The general tariff in 1925 ranged from eight shillings two pence per pound to nine shillings one penny, in one case for tobacco with ten per cent moisture or less and in the other, for tobacco with more than ten per cent moisture. The corresponding general tariff rates in effect today are nine shillings six pence per pound and ten shillings six and a half pence per pound. There is very little likelihood of the British parliament abandoning the duties on tobacco, that is something of which I think we need have no fear. As long as the duty is above two shillings half penny per pound, then we get the margin of preference I have indicated. They are guaranteed for a period of ten years from the date of this agreement.

May I take the opportunity, while I am on my feet, of pointing out that in 1925 legislation was passed in Great Britain fixing this rate of duty for a period of ten years and giving to us the preference which I have just indicated.

Mr. GOTT: 1923.

Mr. STEVENS: My information is 1925, but it may be 1923 if my hon. friend says so. Be that however as it may, in this conference we picked up the same principle, the same preference and ensured it for a period of ten years.

Mr. MACKENZIE (Vancouver): Continued it.

Mr. STEVENS: Continued it for ten years from the date of this agreement. May I say to the hon. member for South Essex who spoke a moment ago, there is no need to have any apprehension about the question of manufactured tobacco, partly or wholly composed of foreign raw tobacco, because the whole matter is based upon the raw leaf tobacco and the original document, the privileges and advantages of which we have enjoyed for eight years or more, is simply carried into this agreement and continued for another ten years. So if we have had no disability during the past eight years, we are unlikely to have any difficulty in the ensuing ten years, even though the interpretation he puts on the article is correct, with which interpretation he will permit me to say I do not agree.



Mr. CAYLEY: Then I take it that the new agreement is in no way different from the 1923 agreement that was entered into; this is a continuation of that agreement for ten years from the date of this one.

Mr. STEVENS: The 1923 legislation.

Mr. CAYLEY: But while the minister sees no possibility of any change arising out of the latter part of this article, at the same time I wonder why men from all parts of the empire discussing this problem, should insert that. It seems to me they must have seen a possibility of some change in the future and, indeed, in the near future, or they would not have inserted that clause. If it is no good there, it should be left out. Perhaps the minister will tell me that it might just as well have been left out. Before I take my seat, although this may not be applicable to this article, I should like the minister's opinion regarding the 99 per cent drawback that is given to foreign tobacco manufactured in Canada and then reshipped.

Mr. STEVENS: My hon. friend possibly means my opinion in regard to the system of drawbacks generally, in this instance applied to tobacco. If one might be permitted to digress into a purely hypothetical question, I may say to my hon. friend that I have never very strongly favoured the 99 per cent drawback system. It has been accepted and practised in Canada for many years.

Mr. CHAPLIN: And all over the world.

Mr. STEVENS: Yes. There are, however, times when the 99 per cent, which is generally accepted, may be too high, but at the present moment I would prefer not to be drawn into, shall I say, an academic discussion of the matter. I have doubts as to the advisability of the drawback in regard to some lines. So far as tobacco is concerned, I have not studied the situation from that angle, so I am unable at the moment to give my hon. friend an intelligent opinion on the subject.

Mr. CAYLEY: As regards the latter part of this article which refers to the possibility of duties on foreign tobacco being reduced, the minister spoke of that as not being important. Might it just as well have been left out entirely?

Mr. STEVENS: The British regulations protect us fully in regard to the 99 per cent drawback on foreign tobacco being manufactured in Canada and then being exported, so my hon. friend need have no fear on that point. My officers have looked up the regulations in regard to that and I am assured that is correct.

As regards the suggestion to leave out this last phrase, I would say this to my hon. friend: If he will look at it in a broad and general way, it is clear to me that the British delegates said this: The practice has been in Great Britain for many years to charge a rate of duty running around nine shillings a pound. If I have the date correctly, 1925, eight years ago, Great Britain extended to empire countries a preference of forty-nine cents a pound, or approximately fifty cents. They carried that on in perfect good faith during that period of eight years. They now say to us: We will extend that for ten years—and they do so—but ten years is a long period and I suppose that the British delegates felt that it was reasonable to say that should in the future the British duty fall below 2s. 0½d., which was the spread, then the full amount of the duty, whatever it might be, would be the spread, because it merely sets the thing in an accurate light. But in the face of all the evidence we have before us and the practice and custom of all countries in dealing with duties on liquors and tobacco, there is very little likelihood of that coming up.

Mr. GOTT: Will the minister assure the tobacco industry that there will be no chance of importing raw leaf from the United States, receiving the 99 per cent drawback, manufacturing the raw leaf and shipping it into Great Britain?

Mr. STEVENS: All I can say to my hon. friend and all I think it is reasonable to ask me to say is that the British regulations do not permit it at the present time and there is no indication that there will be any change in those regulations.

Mr. GOTT: Only through the words as contained in the article: "Or manufactured in Canada."

Mr. STEVENS: More than that. The hon. member will notice in the article it refers to this:

> Grown, produced or manufactured in Canada, the existing margin of preference over foreign tobacco.

Foreign tobacco is emphasized in this clause.

> So long, however, as the duty on foreign unmanufactured tobacco—

Again it is emphasized. My point in that regard is that the clause in itself provides sufficient protection, but if the hon. gentleman or any other hon. member questions the clarity, shall I say, of the language used in the clause, then I fall back on the British regulations and say that they, at the present time and as they have been throughout, would not permit and clearly protect the Canadian grower of tobacco against the contingency which he fears.

Mr. CAYLEY: Has the minister those regulations that we may know beyond doubt?

Mr. STEVENS: For me to elucidate the British regulations fully is, I confess, very difficult. We must bear in mind that in Great Britain they operate their tariff provisions in a manner different from ours. The Imports Duties Act, the McKenna Duties Act and the other various acts are separate statutes. Then they clothe the board with certain powers and that board passes regulations from time to time. I could plough through the different acts and so forth, but frankly, I believe the committee would be very much bored if I were to do so. I shall read part. This is a document known as Notice 27A, dated August 23, 1920, dealing with "Preferential duties of customs in Great Britain and Northern Ireland on goods consigned from and grown, produced or manufactured in the British Empire." I submit, Mr. Chairman, that it would be doing an injustice to the committee for me to read this at length.

Mr. CAYLEY: Might I just ask this question? Is any distinction made between manufactured tobacco, Canadian grown, which is exported to Great Britain, and manufactured tobacco, partly Canadian and partly American, which is exported to the British market?

Mr. STEVENS: Great Britain from time immemorial has put sugar and tobacco, both of which are very important items of revenue for Great Britain, into the same category, and they do not allow the mixing of either sugar or tobacco empire grown with the foreign product. In order to earn the preference it must be an empire product.

Mr. GOTT: That explains the whole thing. I am perfectly satisfied now, but before I was not.

Mr. ELLIOTT: There is no doubt that this margin of preference need not be retained if Great Britain sees fit to reduce or abandon it. Am I correct in that?

Mr. STEVENS: I must respectfully decline to have words put into my mouth. I would rather express it in my own way. I will repeat what I said before. Since 1925 the duty on tobacco has been from 9/6d. up to 10/6½d. per pound, depending on the moisture content, and for eight years we have enjoyed a preference of 2/0½d. per pound, or roughly 49 cents. There has been no question about it whatsoever. Under this article that preference is continued, but the reservation is made that should the British parliament reduce the duty on tobacco to a point below 2/0½d. the margin of preference to Canada and empire countries will be simply the remaining full amount of duty whatever it may be.

Mr. ELLIOTT: That is exactly as I heard the minister the first time, but it does not answer my question at all. I suppose the question does not need an answer because I take it, and I just wanted the minister's confirmation of my interpretation if he thinks I am correct, that there is nothing whatever in this section to prevent the government of the United Kingdom from reducing the margin of preference from 2/0½d. or 49 cents per pound, or from wiping it out altogether. But if there is anything to prevent that to which the minister can direct my attention, I shall be very glad if he will do so.

Mr. STEVENS: There is nothing specifically stated in the article to prevent them doing it, but there is the history of the taxation of tobacco in Great Britain which stands behind the article. From time immemorial tobacco has been one of the chief sources of revenue for Great Britain, and it is wholly unlikely that they will reduce the duty from 9/6d. to below 2/- per pound. Furthermore, this applies not only to Canada but to all parts of the empire, to South Africa, Southern Rhodesia and other empire countries, all of which are equally interested with ourselves.

Mr. ELLIOTT: I take it that my hon. friend feels that the government of this country is reasonably safe in trusting the government of the United Kingdom not to reduce this margin of preference.

[Mr. Stevens.]

Mr. STEVENS: Quite.

Mr. ELLIOTT: Then I should like to ask why the government of this country were not able apparently to induce the British government to take for granted that this government could be relied on not to reduce the preferences given in schedule E and referred to in article 9. Apparently the government of this country is bound hard and fast not to reduce those margins of preference. Why the distinction? In the one case it seems that it was necessary to have this government bound absolutely tight not to reduce the margin of preference, while in the other this government apparently seemed to think they could take it for granted that Great Britain would not reduce the margin of preference, and they did not bind Great Britain in the agreement. What is the reason for the distinction?

Mr. STEVENS: There is no difficulty, none whatever, in answering that question if we are permitted, Mr. Chairman, to proceed to the discussion of schedule E.

Mr. ELLIOTT: I would prefer the minister to answer it now because the question arises properly out of the construction of this article.

Mr. STEVENS: There is no difficulty whatsoever in answering it, Mr. Chairman. I am simply pointing out to the chairman that we would be wandering; that is all, and I do not wish to wander without the house knowing that I am quite aware of it. The answer can be stated very simply and clearly. In schedule E there are some 223 items, and speaking offhand about half of them involve the imposition of duties—

Mr. MACKENZIE (Vancouver): More than half.

Mr. STEVENS: My hon. friend can state the proportion as he sees fit; we will not dispute over that. In another proportion of the items there are decreases. Consequently a more specific declaration was required than is required in this instance. Furthermore, as I have said at least three times already, we are here dealing with a duty which has been in force for approximately eight years, and under this agreement we are simply carrying forward into another extended period of ten years what we have been enjoying for a period of eight years. We had therefore no hesitation whatsoever in accepting the position as outlined in article 7.

Mr. ELLIOTT: I think I understand the minister clearly, that it was necessary in regard to the items mentioned in schedule E, numbering several hundred, that a definite

agreement should be arrived at, but that with regard to the one item referred to here it was apparently not considered necessary to have a definite agreement with the United Kingdom. I want to say that although the minister has given the same explanation three times, which was not an answer to the question that was asked, each time that he gives it I find it a little more difficult to understand why one country should be bound and the other not be bound to maintain a certain margin in preference.

Mr. MACKENZIE KING: The minister seems very loath to give any credit whatsoever to what took place at the economic conference of 1923.

Mr. STEVENS: Not at all.

Mr. MACKENZIE KING: But I am afraid in this instance at least he will have to give some credit.

Mr. STEVENS: Very gladly, if it is due.

Mr. MACKENZIE KING: I have in my hand the Summary of Conclusions of the economic conference of 1923, and the paragraph which relates to tobacco reads as follows:

> At present the duty on tobacco varies according to kind, being of course higher on cigars than on unmanufactured tobaccos. On the latter it is about 8s. 2d. per pound, on which the empire enjoys a preference of one-sixth or, say, on raw tobacco of 1s. 4d.

That was as long ago as 1923. The British government was then giving a preference to the other parts of the empire of its own volition, and had been doing so for some time previously because it suited its own purposes. It did so under its own fiscal system without being bound in any way. The paragraph continues:

> His Majesty's government would be prepared to adopt the course proposed in regard to sugar, i.e., to stabilize the existing preference for a term of years or alternatively they are prepared to increase the preference to one-quarter, i.e., to about 2s. on unmanufactured tobacco at present rates, the amount of the preference of course varying as the basis varies.
>
> As a result of consultation with the oversea representatives concerned, it has been decided to adopt the second alternative, that is to say, to raise the preference from one-sixth to one-quarter.

So that it was at the conference of 1923 that the decision was made by the British government of its own free will to make the preference what it is at the present time. Legislation was introduced in the British parliament after the conference in accordance with what the British government of the day said it would do and it was approved by the British parliament. They fixed the rates after consultation. At the present time I understand, as the result of this conference, they are continuing the preference in accordance with the terms of the article in the agreement we have just read.

There is the difference however—and it serves to illustrate a point I have been trying all along to make—between a system of consultation between different governments of the empire, being each free to act upon its own position, and a system of bargaining which binds governments for a term of years to maintain tariffs at certain levels. The relative merits of the two methods is, I think, apparent. In 1923 the British government took the course which served its own interests, but which after conference it believed would best further the interests, also, of the empire and has maintained that course without having any question arise as to whether or not it was bound and restricted in its fiscal freedom by virtue of some agreement with the dominions, to maintain certain duties against the interests and will of the British people. The British government has kept the duties on because it served its interests and those of the empire so to do.

Now we come to this year's plan, and we find that the moment discussion on the article respecting tobacco is opened, a difference of opinion arises as to whether or not in this clause the British freedom in fiscal matters is not being restricted in some degree, as a consequence of the agreements signed at the recent conference. In other words in consequence of fixed duties, or duties purporting to be fixed for a term of years, one begins to sense at once the feeling of restriction and restraint. In one quarter it is asserted, on the other hand in another we have doubts and misgivings as to whether or not the conditions set forth will be carried on for the period mentioned. I believe it is wholly advantageous to the British government to do as it pleases with its own fiscal policy, just as we who are on this side desire to do with respect to the articles under schedule E in the agreement. Certainly, from the point of view of Canada, it is much better that producers here should not be led by any false hopes or false beliefs into embarking upon a scale of production which, later on, they may find has not been justified, in view of action which the British government may take are perfectly free to take in the matter of reducing duties, or, if they so wish, of eliminating them altogether.

Article 7 agreed to.

On article 8:

His Majesty's government in the United Kingdom will invite the governments of the non-self-governing colonies and protectorates to accord to Canada any preference which may for the time being be accorded to any other part of the British Empire, provided that this clause shall not extend to any preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia and the territories of the South African High Commission by virtue of the customs agreement of 1930; and further will invite the governments of the colonies and protectorates shown in schedule D to accord to Canada new or additional preferences on the commodities and at the rates shown therein.

The CHAIRMAN: Shall I read schedule D?

Mr. MACKENZIE KING: Schedule D covers nearly four pages, and it is not necessary to read it. I call to the attention of the committee these words in article 8:

His Majesty's government in the United Kingdom will invite the governments of the non-self-governing colonies and protectorates to accord to Canada any preference . . .

And so on. The word "invite" as used in this article is, I presume, intended to convey the same meaning as it does in other articles of the agreement. I understand it means that His Majesty's government will undertake to see that the non-self-governing colonies and protectorates grant a certain preference to the dominions—in this particular instance, to Canada. That means that the British government undertakes to see that the non-self-governing colonies and protectorates will be obliged to raise certain of their duties against the world, in order to give a preference to the dominions, in other words, impose additional taxation upon themselves. That is part of the agreement to which we in this free parliament are asked to lend our support, an agreement which is to bind the colonies which have not yet acquired the full right of self government, and protectorates which are still powerless in dealing with their own fiscal matters. The effect of the article is to impose taxation upon the people in those non-self-governing colonies and protectorates, without any previous expression of the will of the people themselves.

I have not time to read to the committee articles concerning this particular clause which have been appearing in the British press and in the press of other countries. May I say in a word however that in the mind of so great an authority on international economic and fiscal questions as Sir Arthur Salter and in the minds of many others, it constitutes the worst feature of the entire agreement. It opens up a question so large as to cause one to be amazed at the slight consideration which its implications could have received. One wonders that anything of the kind could come from a conference lasting so short a time and with so many other matters of grave concern to consider.

In a word I shall attempt to express the significance of what I have in mind. Up to the present time the rest of the world has in matters of international trading enjoyed a certain feeling of good will towards the British empire, because until recently, all countries were free to trade with Great Britain and with her colonies and protectorates on a free-trade basis. Foreign countries were free to trade with the great colonial empire of Britain on the same terms as did the United Kingdom and other parts of the empire. In what is known as the colonial empire foreign countries of the world had enjoyed the same trading privileges as had the different parts of the empire. The provision now before us, however, to the rest of the world makes of the colonial empire a closed preserve, instead of an open market. What may result by way of retaliation against British trade is a matter exercising the minds of the people in Great Britain and may well concern us as well here in Canada. The article means that, as parties to the agreement, so far as we are concerned, we are taking the position that so far as lies within our power we are going to make a closed preserve out of the colonial empire in order that in the words of the Prime Minister, we may shut out the foreigner. That is economic war on a world scale, when it is attempted in this fashion. It has the inevitable effect in matters of trade of setting other nations of the world against the British Empire.

I have before me an article written by F. W. Hirst, a former editor of the Economist which appeared in the Nineteenth Century of October, 1932. Speaking of this particular matter he says, after reference to other dangerous features of the agreement.

I can hardly believe that the House of Commons will tamely renounce its power to reduce at any time any tax which it has levied; for this is the most ancient and esteemed of all its privileges, the historical basis and the very essence of its authority.

It goes on to speak about the effect of making these tariffs permanent for a period of five years, in addition to imposing them at all. He has a further paragraph as to the effect of this particular kind of article in the agreement on foreign trade.

To this should be added the danger involved in the adoption by Great Britain and the

dominions on a much extended scale of discriminating duties against foreign countries. A free trade empire disarms foreign hostility; an empire which aims at closing or partially closing its markets against foreign countries invites hostility; and such a policy may end in another series of disastrous tariff wars, which would make the task of universal disarmament not merely difficult, but impossible.

I have in my hand the exact quotation from Sir Arthur Salter, who has been referred to many times and whose reputation needs no commendation in this house. In an article which Sir Arthur wrote a very short time ago, which has been widely quoted from in the press, he says:

Last, and not least important, what will be the relations between Great Britain and the dominions on the one hand and the vast colonial —or non-self-governing—empire on the other? Will the governing principle of policy continue to be to lead each constituent unit as far and as fast as possible along the path of both prosperity and a participation in government? Will it be an open empire, supplying its resources and offering its markets freely and equally to the world? Or will it tend to be more of a closed preserve in breach of the main traditions of the last century?

So far we have been considering the self-governing members of the British Empire, and it is they who conducted the negotiations. But it was contemplated throughout that the preferential arrangements agreed upon would in general apply also as regards the "colonial" empire; that is, that large part of the empire which is in whole or in part non-self-governing. The colonial empire is likely, then, to enjoy—or to suffer—the consequences of the Ottawa decisions. But it cannot, I think, be denied that their interests received a very subordinate consideration. We find no proposals for specific preferences for characteristic products of the colonial empire, such as rubber.

This opens a new issue in imperial development of the utmost importance. Increased imperial preferences with the dominions raise, as we have seen, the problem of most-favoured-nation treatment, the principle incorporated in agreements with equal and independent states. The application of preferences to a dependent empire, especially of preferences decided with special regard not to its interests but to those of the self-governing members, raises the question as to whether the basic principle of policy should be the "open-door" or the "closed preserve."

The former has been the guiding principle of British policy for more than half a century.

Elsewhere he goes on to speak of the concern to the rest of the world.

Nevertheless, it is not only of the utmost importance to the British colonies themselves; it is also (to adopt phrasing from the report of the United States commission of 1922) a matter of serious concern to the rest of the world if, in the greatest empire, the old mercantile principle of the reservation of colonial products and colonial markets to the mother country is reintroduced. The breach with the old British tradition is not yet very considerable, if we measure it by its economic effects; but it is a recent innovation, which has already been extended, and is likely to be extended further as a result of Ottawa.

We thus see that Great Britain has recently made a substantial, though still partial and incomplete, change in her domestic policy from free trade to protection. She has made some tentative, but hesitating steps towards the goal of an integrated imperial economic unit by negotiation with the self-governing dominions. She has simultaneously taken a few steps towards a closed colonial empire.

Elsewhere he goes on to stress again how dangerous that particular policy is, not only to the trading relations of the British Empire with the rest of the world, but even to the peace of the world. I say, Mr. Chairman, that for a parliament that has reached its present autonomous position after years of struggle such as we have had in this dominion, I think it ill becomes us, having regard to the rights and future evolution of these non-self-governing dominions and protectorates, by any act which it is possible for us to avoid, to reduce them still further in their position of subordination to any government in any part of the empire.

Mr. STEVENS: Mr. Chairman, I think it only fair to the committee to disabuse the minds of hon. gentlemen of much that is apparently concerning the right hon. leader of the opposition (Mr. Mackenzie King). In the first place it will be noted that His Majesty's government in the United Kingdom undertook to invite the governments of the non-self-governing colonies and protectorates to accord to Canada certain preferences, schedule D. I am glad to be able to inform the house that the following colonies have already, very gladly and cheerfully, passed legislation giving effect to this article in the agreement: Jamaica, Trinidad, Antigua, St. Vincent, British Honduras, Fiji, Federated Malay States and Hongkong.

An hon. MEMBER: They were told to do it.

Mr. STEVENS: And there may be some additional of which we have not yet been officially advised.

Now the right hon. gentleman referred to what is commonly known historically as the Boston Tea Party, and indicated that this is on a par with what lost the thirteen colonies to the British crown. In that instance it will be recalled that taxation was proposed direct from London. In this instance each of the colonies passes its own legislation and deals with the matter voluntarily on its own behalf.

Mr. LAPOINTE: Upon invitation.

Mr. STEVENS: Then the right hon. gentleman said—he did not use this language himself, but he quoted an article, apparently with approval, in which it was indicated that Canada had done nothing in return for the concessions granted.

Mr. MACKENZIE KING: No, there was no reference in anything I read about Canada's part in it.

Mr. STEVENS: Then I misunderstood the article quoted from Sir Arthur Salter. He may not have used the word "Canada," but he did state that the colonies received nothing in return.

Mr. MACKENZIE KING: I do not think so.

Mr. STEVENS: However, be that as it may, the fact is that in schedule F there is a list of items particularly requested by the colonies, of immediate and direct practical interest to them. I shall not read them in detail, I only draw the attention of the committee to schedule F. This was an arrangement that was made between the British authorities with advisers of the colonies present, and the matter was most cordially discussed, and has been cheerfully accepted by the colonies, and the concessions granted have been given as I have indicated.

In addition to what I have said in regard to schedule F, many of the items in schedule E are of distinct advantage to the colonies, and Canada extends to the colonies the British preference, extends to them certain special concessions, and we receive from the colonies in return the concessions indicated in schedule D. That I think is all that it is necessary to say at the moment in reply to the right hon. gentleman's observations.

Mr. MACKENZIE KING: The paragraph which my hon. friend had in mind, I think, is this, from Sir Arthur Salter's article:

> The colonial empire is likely, then, to enjoy —or to suffer—the consequences of the Ottawa decisions. But it cannot, I think, be denied, that their interests received a very subordinate consideration. We find no proposals for specific preferences for characteristic products of the colonial empire, such as rubber.

I think that what my hon. friend has just said about all that has been done being done simply at the instance of the advisors of the colonial empire rather than at that of representatives from their legislatures, with whatever limited powers they may have, bears out the truth of what Sir Arthur Salter says.

[Mr. Lapointe.]

Mr. STEVENS: There were members of their legislatures here. Furthermore, schedule F contains a list of items of peculiar interest to the colonies.

Mr. MACKENZIE KING: Were there any official delegates from the British colonies or protectorates at the conference?

Mr. STEVENS: If the right hon. gentleman refers to members of governments, I am not aware of any.

Mr. MACKENZIE KING: I mean official delegates.

Mr. STEVENS: Not in the sense my right hon. friend has in mind. There was the Secretary of State for the Colonies, with Sir Edward Davson and some others representing the colonies.

Mr. MACKENZIE (Vancouver): They are all shown in the official list as advisers to the Secretary of State for the Colonies.

Mr. STEVENS: Sir Edward Davson represented the West Indies at the last imperial conference in London.

Mr. DONNELLY: I am sorry that the Minister of Agriculture is not here, seeing that we are dealing with the marketing of agricultural products. I have known for some time that the marketing of wheat and grain has been under the Department of Trade and Commerce, but it is news to me that the marketing of all agricultural products should be under that department. I always thought that the Department of Agriculture in Ottawa had to do with the marketing of agricultural products, while the provincial departments of agriculture were concerned with production. Now the Minister of Trade and Commerce has taken charge of it all and we are inclined to ask, Why a Minister of Agriculture at all in these times? The Minister of Agriculture says himself that his presence is important. I notice a clipping in the Ottawa Journal in which there is a report of a speech made by the minister in Kansas City. The dispatch is dated November 13. The report reads:

> Hon. Robert Weir, Canadian Minister of Agriculture, told a luncheon gathering at the American Royal Livestock and Horse Show here Saturday that "agriculture is one of the most important considerations in the trade plan we are formulating."
>
> The minister was one of a number of agricultural authorities of other nations to address the luncheon and he spoke very briefly. In complimenting those responsible for conduct of the show, he said:
>
> "I believe I need only remind you of the importance of my presence at the parliament

session at this time to convince you how important I consider this show that I would take a day to attend it," the minister said.

He admits himself that he is important and we have to agree with him. I think his presence here is necessary. I notice, under schedule D, No. 14, that reference is made to bacon and hams coming from Ceylon. A little while ago I referred to hog production and I was told that I was altogether wrong. I have here the press report in the Toronto Globe, showing what the Minister of Agriculture said, at Clinton on September 29:

In regard to prices, the minister said he could make no prophecy on this subject. "But I will tell you this," he added: "Two years ago I sold my hogs; today I am buying hogs."

What does that mean? It means simply, if I understand what the minister is talking about, that the price of hogs will improve and that he is going into hog production himself, and is advising the farmers to do the same. Every farmer at the meeting at which the minister spoke took that meaning from his words. That was what he was advising the farmers to do, to go into hog production. But that is not his only utterance. He has made other statements and I have here a clipping from the Ottawa Citizen of September 16, 1932, in which he is reported to have said:

"The British government has definitely committed itself to a policy of restriction with the object of raising the price of bacon in the United Kingdom," said Mr. Weir today. "If they can carry out this commitment the price of bacon should be higher in Britain within a year. Our farmers, if they wish to take advantage of the advance in prices, should make provision now for it takes 10 months to produce a hog. Too much emphasis cannot be placed on raising the right kind of pigs that produce select bacon. Unsatisfactory hogs which cannot be exported, always tend to depress our market."

In order to assist the farmers the practice started a year ago will be augmented. It provides them with select sows, bred to select boars at the actual cost they would bring at the slaughter houses. The government pays half the freight, and bears the cost of experts who choose the sows at the live stock yards and the other expenses. In this way farmers can get high grade bred sows at very little more than they will get for their under grade ones.

These are definite statements made by the Minister of Agriculture, and any man who understands English surely can take no other meaning from his words than that he is advocating that farmers of Canada go into the production of hogs again. I cannot understand why he should say, as reported at page 1138 of Hansard:

I have not at any time, either before or after the conference, advocated a campaign for increased hog production, whether the price was 2 cents or any other price.

The statements contradict one another, and I leave it to the committee to judge just what he meant.

Article 8 agreed to.

On article 9:

His Majesty's government in Canada will invite parliament to pass the legislation necessary to substitute for the duties of customs now leviable on the goods specified in schedule E the duties shown in that schedule, provided that nothing in this article shall preclude His Majesty's government in Canada from reducing the duties specified in the said schedule so long as the margin of British preference shown in that schedule is preserved or from increasing the rates under the intermediate or general tariff set out in the said schedule.

Mr. MACKENZIE KING: Consideration of this article will involve taking up the items in the schedule one by one. Before that is commenced, may I say a word as to the chief objection we have to the schedule, considered as a whole. It is that it seeks to raise the tariff still higher and seeks to maintain the tariff at a certain rate over a period of years. That is an innovation so far as this parliament is concerned. I do not think that ever before this parliament has bound itself to maintain a tariff schedule of any appreciable extent if of any extent at all over a period of years. We have already discussed very fully the reasons why such should not for one minute be admitted as a precedent or a correct procedure, but I should like to add to the quotation I gave a moment ago from Mr. Hirst's article in the Nineteenth Century of October, what that distinguished authority has to say in regard to the same sort of thing where it is being done by the British government across the seas. It helps to make clear wherein the position which the Liberal party in Canada is taking is on all fours with the position taken by at least two of the political parties in the old country:

But there is also a grave constitutional objection to making the customs duties of the United Kingdom dependent for a term of years on the will of one or more colonial legislatures. It is an exact inversion of the policy of George III and Lord North, which lost us the American colonies. The colonial assemblies at that time preferred to fight rather than submit to a trifling customs duty on tea which Great Britain imposed.

The present parliament may persist, even in the face of shrinking trade and employment, in its determination to maintain or increase protective duties. But surely it cannot pretend to prevent its successors from touching the taxes which it is about to impose, or the taxes which it has already imposed since it was elected? Earlier in the year Liberals foresaw the danger, and issued a warning in the shape

of a resolution passed by a unanimous vote of the National Liberal Federation at its annual meeting in April. The resolution ran as follows:

"In view of the Ottawa conference and the danger that this country may find itself committed by commercial treaties with the dominions to permanent tariffs of a discriminatory character on imports from foreign countries, it (the National Liberal Federation) gives notice in advance that no such treaty can be permitted to interfere with the constitutional right of parliament at any time to reduce or remove any such taxes."

This constitutional right is a privilege won from the crown by centuries of hard struggle; and it should be equally precious to the parliaments of the self-governing dominions, on whom it was freely conferred by the wisdom of our own legislature. I can conceive of nothing more invidious than this interference by the dominion governments with our right of control over our own budget. Curiously enough, it is a right which two important British ministers emphasised so lately as February 9, 1932, during the tariff debate. Mr. Baldwin said:

"Much of the debate has run on the difference between the permanent and the temporary nature of the tariff. There is no such thing as permanence in politics. Whatever one parliament does, it is in the power of another parliament to confirm, to increase, to diminish, or to abolish."

Here we have the true constitutional doctrine, unambigously expressed by the leader of the Conservative party. Mr. Walter Runciman (President of the Board of Trade) said in the same debate:

"The other objection taken to our proposals is that they are permanent. Certainly nothing in our fiscal system is permanent. The yearly budget comes up for discussion here and for examination in committee of ways and means, and is varied from time to time according to the constitution of the house and the opinion of the electors."

That, Mr. Chairman, expresses the position of the Liberal party of Canada quite as emphatically as it does the position of the Liberal party in the old world with respect to this innovation of maintaining tariffs by binding agreement. We regard it as being unsound constitutionally, as being in no sense a legal method of procedure, and as being fraught with no end of possible serious consequences. The object of this innovation has been made abundantly clear by the Prime Minister, and it is to the intent of the legislation quite as much as to the legislation itself that we are opposed so strongly. The Prime Minister has told us that the purpose of the legislation was to make the foreigner pay some tribute for the privilege of trading within the British Empire. Speaking in Calgary on September 6, of the effects of the agreements reached at the recent conference, he said:

One thing was certain, however, that nations outside of the empire would be asked to pay some tribute for the privilege of trading within the empire.

So far as Canada is concerned, that tribute is to be paid by the higher taxes which it is now sought to impose under this agreement. It was equally emphatically stated by the Prime Minister that the object was to shut out the foreigner. That again is the purpose of this higher tariff which we are now being asked to enact. We want to have trade within the British Empire, as has been said repeatedly, but we do not want it at the expense of the possibility of trade as well with other countries of the world. In so far as Canada is concerned we believe that she should be free to trade with all countries just as largely as her interests may seem to render it wise for her so to do and as she may find it possible to do.

There is another feature about this particular tariff schedule which is thoroughly bad and that is that it has been so arranged as, in many cases, to do away with the difference between the rates of duty of the intermediate tariff and of the general tariff. That undoubtedly has been deliberately designed so as to make next to impossible the arriving at trade agreements with other countries by destroying the margin of trading benefits which would offer favourable opportunities to the formation of such agreements. I do not believe that it is possible to emphasize too strongly how inimical to the future development of Canada's trade this particular legislation is likely to be, and particularly so at this time in the world's history when everything is more or less in a state of flux and where there is very little in the way of certainty, from one year to another as to what one country may be able to continue to do or as to what changes in trade conditions may come about in the relations between any one part of the empire and other countries or between different parts of the empire themselves. As regards the agreement itself, I think when we begin to discuss it item by item, we shall see that it is not so much an agreement or tariff schedule for the purpose of promoting trade within the British Empire as it is a schedule of tariff rates to make increasingly difficult and in many instances impossible, trade with the rest of the world. It is because of these features that, in the first instance, we object to the schedule considered in its entirety. As we discuss the different items I think it will be seen why, with regard to the interests of the Canadian consumer, with regard to the interests of the Canadian producer as affected

by the cost of living and the costs of production—I shall not except the interests of the Canadian manufacturer because he is interested also in the cost of living and the costs of production—the tariff rates as imposed by this schedule are bound to work injury rather than good and to make more restricted than ever the present strangled condition of trade in Canada.

Mr. STEVENS: I am sure the committee does not wish to thresh out again a question which has been discussed over and over, but I cannot allow the observations of the right hon. gentleman to pass without very briefly reiterating what has been said previously by the Prime Minister, by other hon. members of the house and by myself. In so far as the major portion of the general tariff schedule is concerned, there is nothing in the world to hinder this parliament from taking any action it likes in raising, lowering or abolishing duties imposed. Schedule E constitutes about one-fifth of the whole tariff; there are about two hundred and twenty-three items as compared with one thousand, roughly speaking. In regard to those particular items we do undertake by this agreement to maintain a spread; there is no question of that, but in so far as the article read a moment ago by the right hon. gentleman, dealing with the freedom of parliament, is concerned, I need hardly state that freedom is still present. However, we expect parliament to respect this agreement just as this and other parliaments have respected the agreements which were made by the right hon. gentleman for four and twelve year periods. I should like to direct his attention to a most amazing inconsistency in his position. This afternoon he twitted me because I had failed to give him credit for securing the tobacco preference for ten years.

Mr. MACKENZIE KING: I did not say that.

Mr. STEVENS: That was something to be boasted of. I have under my hand the minutes of the conference of 1923, in which appears the statement that the Liberal party had secured that preference.

Mr. MACKENZIE KING: Not at all. I said that the British government had given it voluntarily.

Mr. STEVENS: The preference obtained by the right hon. gentleman was for ten years—that was virtuous, but this being for five years, it is iniquitous. I shall not labour further this question other than to say that the references to margin of preference and the preservation of the margin of preference are limited to schedule E of this agrement.

The CHAIRMAN: I shall have to read the whole schedule unless there is general consent not to do so. I can bring the schedule before the committee item by item.

Mr. MACKENZIE KING: It was understood at the outset that we would take up the agreement article by article, and that as we dealt with each article we would deal with the schedule referred to therein. This we would wish to do item by item.

Mr. RHODES: So far as I am concerned I would be quite content to take up the schedule item by item, with this pious hope that when we come to deal with the same items in committee of ways and means, we shall not repeat ad nauseam the same discussion which we carry on in this committee.

Mr. MACKENZIE KING: May I make quite clear to my hon. friend why we wish to take up the schedule item by item? We do not want to be asked to vote for the third reading of this bill until we know what is in the schedule, what the extent and effect of the tariff changes proposed are likely to be. We had to vote on the second reading without a knowledge of what we were doing, but we do not want to vote in the same way on the third reading if there is a possibility of avoiding doing so. If my hon. friend would prefer to go into committee of ways and means now and take up the tariff resolutions, we shall be agreeable to drop further discussion of the agreement at this stage, and take up ways and means, dispose of the resolutions and then come back to the other articles of the agreement. We shall from discussion of the tariff resolutions in committee of ways and means know all we wish to know about the various tariff proposals. Whichever is more agreeable to my hon. friend, we are prepared to do.

Mr. RHODES: I am ready to discuss the question with the Prime Minister, but the leader of the opposition will recall that the Prime Minister gave what he considered and what, of course, we consider as very cogent reasons why we should proceed with the agreement in the first instance before taking up the schedule in ways and means. To put it briefly, he said that to do otherwise would be putting the cart before the horse. But if it would facilitate the proceedings and secure the passage of these agreements through the house, the matter might be worthy of discussion.

Mr. LAPOINTE: It is just as well to discuss the schedule first.

Mr. RHODES: While I am on my feet, may I say that the right hon. gentleman, in making some observations with respect to these agreements, made his strongest objection to the circumstance that in many of the items the intermediate tariff had been placed upon a parity with the general, and therefore impeded our bargaining power with other countries with respect to the items in question. I have only this to say to my right hon. friend, whether his argument be sound or not, he was unfortunate in broaching it at the moment when we are going to consider the schedule item by item, because the very first item in the schedule is cocoa butter, and with respect to that item, the duties on the intermediate and general tariffs have been precisely the same for a number of years and through several revisions under his leadership. If, therefore, it be sound policy to have the intermediate and general tariffs on the same level with respect to cocoa butter, the argument applies with equal force to other items in the schedule. I have only this observation to make, that my right hon. friend would have been well advised to have waited until we had passed this item and come to some other item which had received from us different treatment from that given by my right hon. friend.

The CHAIRMAN: Then we shall deal with the schedule item by item.

Schedule E—Canada.

Customs tariff—20a. Butter produced from the cocoa bean, per pound: British preferential tariff, free; intermediate tariff, 3 cents; general tariff, 3 cents.

Mr. DONNELLY: From what countries do we import cocoa butter? Is any manufactured in Canada? How much comes from the United States and how much from the United Kingdom? Is this some preferred trade or will some Canadian industry be assisted?

Mr. RHODES: For the fiscal year ended March 31, 1932, we imported 4,400,000 pounds of cocoa butter worth $654,000, of which $618,000 worth came from the Netherlands, $14,000 worth from the United States and $10,000 worth from the United Kingdom.

Mr. YOUNG: Canadian production?

Mr. RHODES: Production in Canada in 1930 amounted to 1,500,000 pounds worth $329,000.

Mr. YOUNG: I notice that the average price of the importations from Britain is about twenty cents a pound, and from other countries, about fifteen cents a pound. I presume that is due to the difference in exchange. These are the values for duty.

[Mr. Lapointe.]

Mr. RHODES: I have before me no statistics as to the cost of an individual pound. I take it my hon. friend has used his pencil and divided the cost by the number of pounds.

Mr. YOUNG: Yes.

Mr. RHODES: My hon. friend must bear in mind that cocoa butter, like many other commodities, has varying degrees and qualities, so that one would not be safe in making a computation of that character and putting the proper price per pound on the highest grade of cocoa butter.

Mr. YOUNG: Will the minister say that the value of imports from Great Britain as stated, are the values for duty as fixed by our customs department? He says that we received $10,000 worth from Great Britain.

Mr. RHODES: That would be the value for duty.

Mr. YOUNG: That is to say, for customs purposes the pound is valued at $4.86⅔, and when we say we import $10,000 worth, we are importing $10,000 worth figuring the pound at $4.86⅔, while actually it is worth between $3 and $4. Therefore, as a matter of fact this $10,000 worth reported as being what we get from Great Britain greatly overestimates the amount we actually get from that country.

Mr. RHODES: The figures do not segregate the total poundage and allocate them to the different countries. I gave merely the total imports and the value was allocated to the different countries.

Mr. YOUNG: The point I want to make is this: When the government say that they imported so many thousand dollars' worth of goods of a certain kind from Great Britain, how do they arrive at that valuation? Is that not the value for duty as reported to the customs officials, on which value duty is collected?

Mr. RHODES: The figures given in the quarterly report of the Trade of Canada indicated that the importations from Britain during that year were 47,045 pounds.

Mr. YOUNG: That does not answer my question. An importation of 47,045 pounds valued at $9,774 brings the price to almost twenty cents per pound, but I find that the price from other countries amounts to only fifteen cents per pound. I want to know whether that discrepancy is not accounted for in this way: in reporting the quantity we get from Great Britain, you call a pound $4.86⅔, and that is the way in which you arrive at the figure $9,774. That is correct, is it not?

Mr. RHODES: That question ought properly to be directed to my colleague, the Minister of National Revenue.

Mr. YOUNG: He is in his seat. He can answer.

Mr. RHODES: I do not see what bearing it has upon the case in point.

Mr. YOUNG: It has a tremendous bearing. Perhaps the Minister of National Revenue will answer.

Mr. RYCKMAN: It is quite correct as the hon. member for Weyburn says: the value of the pound is taken at $4.86\frac{2}{3}$. That was the value of the pound when the dollar was related to it and when the tariff was put on.

Mr. YOUNG: That brings us then to this position, that for the first time in the history of Canada the trade returns, official figures, published by the government, with respect to our trade with other countries, are not to be relied on. They report that we have a trade of so many thousands or millions with other countries, and now on the minister's own confession we find that these figures are not reliable and that the $9,774 worth of this commodity which we are supposed to have bought from Great Britain is really only $6,636 worth.

Mr. RHODES: My answer to that would be that it shows that we have all the more opportunity for doing trade with Great Britain.

Mr. YOUNG: It means this, that my hon. friends opposite have been more successful than they have themselves boasted in shutting off trade with this country. It means that Canada's trade has been stifled to a much greater extent than even my hon. friends claim. It also means that our trade statistics are no longer reliable.

Mr. RYCKMAN: It is unfair to say that. Everyone knows that in the present fluctuating state of the pound its value for duty purposes is $4.86\frac{2}{3}$. My hon. friend is ready at arithmetic and he can easily figure it out for himself. His suggestion that the trade returns give a false impression is unworthy of the hon. gentleman.

Mr. YOUNG: If it is true that $9,774 is equal to $6,636, then I am wrong; but if $6,636 is less than $9,774, I say that the returns are false.

Mr. RHODES: My hon. friend is entirely overlooking the fact that the actual number of pounds is given in the figures here. My hon. friend, of course, can make any argument he likes on that, but it is quite improper for him to say that the figures are not correct. It may be that his argument is sound with respect to the value, but that is another matter entirely.

Mr. YOUNG: When we get the annual returns of Canada's trade the amount is given in dollars and cents, and the figures are not reliable according to the minister's own admission.

Mr. RHODES: It is quoted in both pounds and dollars and cents.

Mr. YOUNG: The total figures are not quoted in both pounds and dollars. They are quoted in dollars. When the conference was in session and the British delegates were figuring on the possibilities of trade in cocoa butter, for instance, with Canada, were they told that these importation figures were not reliable, that $9,774 was really not the true figure?

Mr. RYCKMAN: They did not have to be told; they knew it.

Mr. YOUNG: I think it is a pretty serious state of affairs when we can no longer turn to our own official trade returns to find out the truth about what we want to know. Now my hon. friend says that we take from Holland $618,000 worth. We are increasing the rate from two to three cents a pound under the intermediate and general tariffs. I presume the object is to divert trade from the Netherlands, because the big importation is from the Netherlands, the imports from the United States amounting to only $14,000 and from Brazil to $11,000. We have been told frequently that the object in raising these duties it is to hit back at those who have been raising their tariffs against us. I want to ask the minister now, what tariffs has the Netherlands been raising against us?

Mr. RHODES: Obviously, Mr. Chairman, I would not come armed with statistics to answer questions of that character. There has been no raising of tariffs by the Netherlands against us, so far as I know, and even if there had been, that would be a matter for the Netherlands. I am sure that my hon. friend will still adhere to his position that the Netherlands is perfectly free to make its own tariffs to suit its own purposes. It is not so long since I heard the argument extremely well made, if not by the hon. member for Weyburn by hon. members who sit around him, that the British delegates at the conference were shrewd enough at making bargains to take us into their camp. I can assure my hon. friend that they were

thoroughly cognizant not only of the matter of poundage but as to the imports of commodities covered by this agreement.

Mr. YOUNG: Perhaps so, but the people of Canada were not so enlightened. When we saw from the trade returns reported that our trade had shrunk to $570,000,000, we thought that that was the actual state of affairs, but we find it has shrunk to away below that. Apparently the Netherlands has not been raising tariffs against us, but now we are raising tariffs against the Netherlands. Are they any different from us? Will they not retaliate by raising their tariffs against us? I would ask the minister what our trade, imports and exports, was with the Netherlands last year.

Mr. POULIOT: In the meantime may I express a view on the matter and make a suggestion to the government? I shall not make it to my hon. friend the Minister of Trade and Commerce nor to my hon. friend the Minister of Finance, but through Hansard to the Prime Minister himself. Does England grow cocoanuts? No. The cocoanuts come from Java, a possession of the Netherlands south of Asia. Cocoanuts also come from Sumatra and other islands in the tropics. The nuts are imported into Holland and are there converted into cocoa butter. The cocoa butter is exported from Holland to Great Britain, and then re-exported to Canada, and under this agreement this cocoa butter coming originally from Holland will enter Canada under the British preference as a re-export from England. I am sure that hon. gentlemen opposite are familiar with the English trade figures and know very well that during the year 1921 England's re-exports amounted to £64,000,000. So under this agreement no duty will be imposed on cocoa butter shipped from Holland and re-exported to Canada such as is imposed on the foreign product. In other words, it will be accorded the British preference although it will really be coming in as a semi-smuggled commodity.

And now, having made my preliminary, may I suggest this to the right hon. the Prime Minister? He has been blessed with those earthly goods which the farmers and the unemployed do not enjoy at the present time. May I suggest to him that a good way in which he could help this country would be to start a new trade in Canada in competition with Holland? Let him import cocoanuts from Java and have them converted, in an appendage to the Eddy Company in Hull, into cocoa butter so that instead of converting wood into matches that company will be turning cocoanuts into cocoa butter.

[Mr. Rhodes.]

Mr. STEVENS: I am sure that we have all been entertained by the humorous remarks of my hon. friend. I was asked for our trade with the Netherlands. Our imports from the Netherlands in 1931 were $7,287,000, and in 1932, $5,827,000; and our exports to the Netherlands in 1931 were $10,477,000, and in 1932, $13,502,000. May I say to the hon. member for Temiscouata, who has been having a most interesting joke all to himself, and has shared it in part with hon. members on this side of the house, that there is not much danger of that which he has in mind happening, because goods the product of foreign countries, if they are to secure the British preference in Canada, must have a certain proportion of British Empire content. I believe they must have 50 per cent empire content. The increase in duty is comparatively small when the article is translated into the use to which it is usually put, namely for use in confectionery. The actual application of the three cent rate as opposed to the two cent rate will make no serious difference, but it will have the tendency of diverting trade to British Empire concerns.

Mr. YOUNG: The minister has told us that in the year ending March, 1932, we sold to the Netherlands goods valued at about $15,000,000, and purchased from them only about $5,000,000 worth. In that instance trade was almost three to one in our favour. In this one item alone he slaps at that trade, and is going to reduce the $5,000,000 worth of trade with Holland by two-thirds of a million dollars. I ask the committee, Mr. Chairman, if that is in the interests of Canadian trade? I ask this question: Is there not likely to be a reaction on the part of the Netherlands to a course of that kind? I ask the Minister of Trade and Commerce how much wheat we sold to Holland, and whether or not this agreement is going to affect our sale of wheat in the future?

The CHAIRMAN: Shall the article carry?

Mr. YOUNG: No, it does not carry.

Mr. COOTE: While the minister is getting the information I should like to ask whether or not we have a trade agreement with the Netherlands, and if under that agreement the Netherlands enjoy the benefit of the intermediate tariff?

Mr. STEVENS: We have a trade agreement with the Netherlands through what is known as a most favoured nation treaty. They enjoy the intermediate rate. The hon. mem-

ber for Weyburn asked for figures in connection with wheat. In 1931 we exported 7,672,000 bushels; in 1932 we exported 8,473,000 bushels.

The CHAIRMAN: I think these questions should be asked in a discussion of the agreement in general. We should confine ourselves to the articles themselves.

Mr. YOUNG: We are dealing with the items now.

Mr. STEVENS: I had not quite completed my remarks when the chairman called me to order.

The CHAIRMAN: I repeat that I believe the committee should confine themselves to the article. A discussion of the general trade of Canada should not be had at this time.

Mr. YOUNG: It certainly should.

Mr. STEVENS: I am bound to point out that in countries such as Holland the credited trade is that landed at the great ports, and shipped from Holland into Germany and other European countries of the interior. Therefore one must be careful when making an estimate of trade figures concerning Holland.

Mr. NEILL: Would it not go through Holland in bond?

Mr. STEVENS: Not necessarily. They are merchandised at the ports of entry.

Mr. YOUNG: My hon. friend seems to be under the impression that no harm can be done by raising the tariff against a country which merely sells our goods for us, or a country which does not buy merely for home consumption. I am not so sure about that. If in the minds of Hollanders we should raise the idea that we are attempting to aim a blow at their trade with us, there is bound to be an unfavourable reaction in that trade. I should like to figure out, or have the minister figure out for me—which would be better —what the actual applied rate will be from the Netherlands. The price of cocoa butter from that country averages about fifteen cents a pound, carrying a duty of three cents a pound, or about 20 per cent. In addition to that there will be an excise tax of three per cent which will be based not on one dollar but on $1.20, or the duty paid value. Is that correct? So, with those figures we find that the applied rate on this article from Holland will be about 23$\frac{3}{5}$ per cent. Let us compare that with the rate on the same article from Great Britain, which comes under the British preference. In the schedule we find that for Great Britain the tariff item reads "free". Then we have an exchange dumping duty of from six to eight cents per pound, or roughly speaking about 20 per cent. To that we add the three per cent special excise duty. I should like to ask the minister what will be the difference in the actual applied rate on this commodity coming from Great Britain and from Holland?

Mr. STEVENS: My hon. friend has it under his hand.

Mr. RHODES: The hon. member need not attempt to confuse the committee by dealing with excise as if it were applicable to this item alone. It applies to all of them.

Mr. YOUNG: I know it.

Mr. RHODES: For purposes of comparison he may as well eliminate excise from the discussion.

Mr. YOUNG: No, no.

Mr. RHODES: He may as well not consider excise at all, because it applies to other importations.

Mr. YOUNG: The minister does not know what I am coming at.

Mr. RHODES: From the viewpoint of my hon. friend's argument, it does not matter. I do not know what question the hon. member has submitted to me but I am called upon to answer.

Mr. YOUNG: All right, I will answer it myself. Hon. members will recall that we have always contended the special excise tax is nothing more than a customs duty under another name. The actual applied rate on this commodity from Holland is going to be 20 per cent on the valuation of fifteen cents per pound, plus three per cent excise, making a total of twenty-three and a fraction per cent. The actual applied rate from Great Britain will be about the same thing. So, where is your boasted preference? Undoubtedly the rate is now free from the British Isles, but when the commodity is brought in we will find that the British exporter will pay practically the same rate as the Hollander. There is no question at all about it.

Mr. STEVENS: Then, my hon. friend ought to be happy.

Mr. YOUNG: No,—because another factor comes into it.

Mr. STEVENS: Another nigger in the wood pile.

Mr. YOUNG: My hon. friend wants to know why I insist upon counting the excise tax. I shall tell him why. Because the Canadian produced article does not pay it. This

article ostensibly produced for the benefit of the British exporter will benefit nobody but the Canadian producer. The minister has told us that we produced a million and a half pounds of this commodity in Canada. We import four million pounds. The increase in the duty is one cent per pound; therefore the increase in cost to the Canadian consumer will be $55,000. My hon. friend says that does not amount to much. If every item in the tariff schedule which, on the surface, does not appear to amount to much, were eliminated, we would not have much tariff left. It may look very small, only a cent a pound on a commodity we do not use to any very great extent. In the aggregate however it amounts to $55,000.

I want to know what Canadian industry is affected. Can the minister tell us where this product is manufactured in Canada, and by whom?

Mr. STEVENS: This material is used very largely in the production of confectionery. When translated into terms of confectionery, providing the whole duty is charged to that commodity, it amounts to about one-fifth of a cent per pound. Surely that is nothing to be alarmed about?

Mr. YOUNG: These are hard times, and we have to look after the small things. I did not ask the minister who consumed this stuff, I asked him who produced it in Canada. I want to know what industry is getting this $55,000. Where is it being made, who is producing it, how many employees have they, what do they pay in wages? I want to find out what this industry is costing.

Mr. STEVENS: Surely it is not reasonable to ask us to have under our hands virtually all the information that the Bureau of Statistics have in regard to the manufacturing concerns in Canada. I confess that we are prepared to go to great lengths in satisfying my hon. friend, but I am sorry I have not under my hand that information.

Mr. YOUNG: I know I am asking a lot, but my hon. friend must not forget that these men who came and asked for this tariff must have given the government the information. Surely the government did not give them this without knowing something about their business. I said a moment ago that this diversion was going to cost $55,000, but that is on the basis of an increase of one cent a pound in duty, but the total duty will be three cents a pound, and the total cost to the people of Canada will be three times $55,000, or $165,000. I want to know what the people of Canada are getting in exchange for that $165,000 extra that we are going to pay for our cocoa butter. What do these people pay in wages?

Mr. RHODES: Mr. Chairman, it would take a verbal contortionist to attempt to follow my hon. friend in his discussion. If I attempted to accept his various premises I would be hopping like Eliza from one cake of ice to another. If only I could nail him down to one thing at a time I could answer him.

In the first place he said: Who asked for this protection? Let me say that nobody asked for it. It was not dealt with as a matter of protection at all. It is one of the items on which we agreed with the British government to give them a preference. It was not dealt with on the basis of protection at all. My hon. friend is labouring this three per cent excise tax upon imports again. He could not do more than repeat over and over the arguments he made in the house last year. We cannot get any further ahead in the discussion on that item. Let us agree with my hon. friend that to the extent that that three per cent excise is applied it means an additional three per cent protection. My hon. friend knows well that the statement was made last year, and we still adhere to that position, that while undoubtedly it affords incidental protection to a certain extent, it was applied as a matter of producing revenue.

Another thing my hon. friend assumes, and I cannot follow him in that assumption, is that the people of Canada are going to pay $55,000 more—

Mr. YOUNG: I do assume that.

Mr. RHODES: Of course he multiplied it and had it up to $165,000, it is well that I interrupted him or he would have had it up to half a million. But as a matter of fact if these goods come from Great Britain nobody pays the $55,000. If on the other hand they come from countries which have to pay the three per cent tax, then the $55,000 goes into the treasury of this country. Even if that is done it by no means follows that it would cost the people of this country one cent more to purchase the ultimate finished goods into which cocoa butter goes, because as pointed out by my colleague the Minister of Trade and Commerce (Mr. Stevens) translated into terms of confectionery, if the whole $55,000 were charged to that commodity it would mean an increased cost of only one-fifth of a cent per pound on the best material. I will say in that case it would

unquestionably be assumed by the manufacturer and not passed on to the public, unless we introduce a one-fifth cent piece in Canada.

At six o'clock the committee took recess.

## After Recess

The committee resumed at eight o'clock.

Mr. NEILL: I rise to a point of order. I wish to correct an error in Hansard of yesterday, in connection with these tariffs. At page 1115 of Hansard the Minister of Trade and Commerce gives two tables showing some comparisons of duties in relation to the present trade agreements. It is merely a clerical error. He gives the British duty on eggs as 1s. 2d. to 2s. 1d. per dozen, which is a gross mistake, because it runs from 1s. to 1s. 9d. per great hundred. That is an entirely different thing. I do not think the minister would like to have an incorrect statement like that remain on the record.

Mr. YOUNG: Judging from his remarks just before six o'clock, the Minister of Finance did not quite grasp the point I was trying to make. I do not think it is due so much to lack of understanding on his part as to a want of clarity on mine. However, I will try to explain briefly now what I had in mind. Under this legislation the duty on cocoa butter is to be increased from two cents to three cents per pound both in the intermediate and in the general rates, while the nominal rate under the preference will still be free. Now, we import 4,000,000 odd pounds, and one cent per pound added to the price of that would represent $40,000 a year. We produce at home 1,500,000 pounds, and one cent per pound added to that would be the equivalent of $15,000, or a total of $55,000 per year. That, I pointed out, would be the cost of diverting this trade to Britain. When I said that the cost to the country would be three times that amount, or $165,000, I meant that the total rate of three cents per pound would be charged the Canadian people and that would be what the industry in Canada would cost us. The cost of protecting the industry, I indicated, would be the total rate of three cents per pound or $165,000 a year.

The minister said that the object of this legislation was to give a preference to Britain, and he quoted figures to prove that the rate from Britain under the new arrangement would be practically the same as the rate from other countries. During the supper hour I secured the latest bulletin from the department in regard to the exchange rate. The pound today is quoted at $3.73, and the value declared by the department is $3.71; that, subtracted from $4.40, leaves 69 cents. That 69 cents then is the dumping duty that will be imposed on the pound sterling in the next two weeks. Sixty-nine cents on a valuation of $3.73 is 18½ per cent, so that the dumping duty from Britain will amount to 18½ per cent; and adding to that three per cent we get the duty paid value, which would be approximately 21 per cent. That will be the duty on this article coming from Great Britain. The rate from the Netherlands or the outside world will be three cents a pound on a valuation of 15 cents, or approximately 20 per cent. Add to that the three per cent dumping duty on $1.20 and you get 23½ per cent or thereabouts, so that the preference to Britain is not three cents a pound but about 2½ per cent. That is about all the preference that Britain is getting under this arrangement.

The minister says that this was done to give Great Britain a preference. May I ask him whether, at the time this item was put in the schedule, he had in mind giving Great Britain such a slender preference as that?

Mr. RHODES: I can only answer my hon. friend's remark by saying that if Britain had a preference before, which was the contention of hon. gentlemen opposite—that the tariff remained free, two and two, under them—we certainly have increased the preference to the extent that we have changed it to free, three and three. With respect to the other portion of the hon. gentleman's argument, I have nothing to add to what I said before dinner.

Mr. YOUNG: I am not so much concerned with what was done before. If the Liberal party were not logical in their stand, that is their own funeral. I want to know what the situation is now. Here we are passing legislation under an agreement with Britain, under which she is to have apparently a preference of three cents a pound on this article. But the fact is that when we figure it out the preference amounts to only two per cent, a mere negligible fraction. My contention is this. If the rate of three cents a pound is high enough to shut out that article from Holland or from other countries, a rate substantially the same will shut it out from Britain, so that we shall be getting the product made in Canada. My hon. friend says that this is a revenue item, and the Minister of Trade and Commerce made a very good point when he said that this is an article

that may be regarded as a luxury inasmuch as it is used in the making of confectionery, so that it could very well carry a revenue rate. I agree with him, but what I am afraid of is that this legislation will operate in such a way that no revenue will accrue, for the simple reason that the goods will be shut out of Canada; so that while we pay the extra three cents a pound duty we shall not be paying it into the revenue of the country but into the pockets of certain Canadian manufacturers. The question I asked before supper and the question I ask now is: What is the Canadian industry which is affected? Where is it or where are they located, what number of men do they employ and what do they pay in wages?

Mr. RHODES: The industry affected is the very large and widespread biscuit and confectionary industry which covers the whole of Canada. It would be quite impossible to answer my hon. friend's question categorically, in detail, nor do I consider it advisable or appropriate to take individual companies by name throughout Canada in relation to this or any other item.

Mr. YOUNG: The industries mentioned by my hon. friend are the consumers of the product. Who are the producers?

Mr. RHODES: They are both.

Mr. YOUNG: The confectionery manufacturers, then, make their own cocoa butter.

Mr. RHODES: Some of them do.

Mr. YOUNG: Is there any industry that makes it on a commercial scale?

Mr. RHODES: I am informed that there is ample capacity in the industry to meet all Canadian requirements.

Mr. YOUNG: That is not the question. Ample capacity to meet all Canadian requirements means, I take it, that the minister intends so to frame the tariff that all Canadian requirements will be supplied by Canadian factories, which is the very thing I was afraid of. It will divert revenue from the treasury into the pockets of certain manufacturers, and I want to know who they are.

Mr. RHODES: I will repeat once more, and for the last time so far as my hon. friend is concerned, that if the importations come in free no duty is paid. If the importations do pay a duty then the revenue goes into the treasury. So that my hon. friend's deduction that the increase from two to three per cent in the duty means an increase in the amount of money that will be made by the manufacturers is entirely wrong. He is mistaken.



With respect to his question as to what industries are affected, I may say to him that that is not a question which ought to be answered in detail.

Mr. MOTHERWELL: It is a perfectly proper question.

Mr. RHODES: Does my hon. friend mean to assert that I should mention the individual companies by name?

Mr. MOTHERWELL: Yes. Do they want to be hidden in the cellar?

Mr. RHODES: It is not what they wish to have done; it is a question of the proprieties. I have told my hon. friend what he has a right to know in answer to his question.

Mr. YOUNG: The minister says that if the importation comes in free no duty is paid. Now I have shown that the importation will not come in free even from Britain. It will pay approximately 21 per cent, almost as much as it will pay coming from Holland. I wish to know, and I think the members of this committee have a right to know, what industry is affected by this. From what the minister says, the industry in Canada is going to supply the entire Canadian market with a certain product if it gets the three cents per pound duty, and that industry will take the three cents a pound out of the pockets of the people. We have a right to know who they are.

Mr. MACKENZIE (Vancouver): Surely the minister can give that information. Parliament is entitled to all the information in detail. This is really like a new budget and I think the minister should reconsider the answer he has given.

Mr. ILSLEY: The question is a very important one. I can remember that in connection with the tariff schedules of 1930 the Prime Minister when acting as Minister of Finance did not hesitate to speak about specific industries. There was in particular a glass industry at Hamilton which it was hoped would be promoted by certain high tariffs which were discussed in this house. No injustice to any particular industry suggests itself to my mind or, I imagine, to the mind of any other hon. member.

The one feature of the argument of the hon. member for Weyburn which I think is deserving of some consideration by the Minister of Finance is his contention that the imposition of these duties does not give effective preference to Great Britain. If the minister has an answer to that argument, I should like to hear it. I must say that I was surprised as

the hon. member for Weyburn developed his argument, but if he is correct in saying that the duty against Great Britain is practically as high as the duty against Holland, then it would seem that these duties are not such as will divert trade from non-empire to empire countries but will simply impose additional protection for the benefit of Canadian industry. If that is so, surely we are justified in offering the severest criticism of what the government has done in this respect. If because of its protectionist mandate received in 1930 the government felt that it was its duty to give additional protection to the cocoa butter manufacturers of Canada, there was only one proper way in which to do it, and that was by means of a regular budget. In that case the rates of duty could be altered as conditions changed and as the wishes of the people of the Dominion of Canada might dictate. If the hon. member for Weyburn is right and the effect of this particular duty—doubtless there are hundreds of other articles in the same category—is not to divert trade from foreign to British sources, is not to give additional business to manufacturers or producers in other parts of the empire, but is simply a left-handed way of giving additional protection to Canadian manufacturers, a trade agreement is not the proper place for such an item. Being placed in this agreement the rate cannot be changed without a breach of our obligations in honour to the parties to the agreement.

I do not think the Minister of Finance can toss this argument off in the summary way in which he has sought to dispose of it. He read a lecture to the hon. member for Weyburn and said that he proposed to say this and say it for once and the last time. It seems to me that the argument is a very serious one and should be answered. The members of this committee are entitled to know whether this schedule is merely a subterfuge to give additional protection to Canadian manufacturers or whether it is to bring about a bona fide diversion of trade from non-empire to empire sources. If it represents a real concession to Great Britain, I for one would not go very far in arguing against it, because I realize that there must be two parties to an argument; we must make concessions in order to get concessions. I think we are getting some valuable concessions under this agreement, but if this particular item is merely a subterfuge to give additional privileges to certain producing interests in this country, the committee and the house should know.

Mr. RHODES: The hon. member for Hants-Kings (Mr. Ilsley) has just done what is very frequently done in this house; he has attributed to me a statement which I did not make. He could not torture the English language in such a way as to make me say what he claims I did say. I think I should be the last person to say to the committee that I refused to say more than so and so. What I did say was that I would repeat to the hon. member for Weyburn for the last time something which I had repeated prior to the dinner recess. That is entirely different from saying that if the hon. gentleman submitted a question to me I would refuse to answer.

I want to say to the hon. gentleman that although I have not recently been in the house quite so long as he has, I have been a member for a great many years. I came into this house nearly a quarter of a century ago, and I do not propose to take any instructions from him as to the manner in which I ought to conduct myself in this house. Hon. gentlemen opposite are very fond of exercising, as they have every right to do, their right to speak and to present their arguments. Sometimes they present those arguments in a vehement manner; sometimes they are presented, as my hon. friend has just done, in an unfair manner, but the moment an hon. member on this side replies, hon. members opposite claim they are receiving a lecture. At no time have I ever attempted to take an attitude of that kind.

Coming to the argument of my hon. friend, I would say that this increase in the intermediate and general tariffs of one cent per pound was not imposed at the instance of the Canadian manufacturers.

Mr. ILSLEY: I heard the minister say that.

Mr. RHODES: We never saw them. This was imposed as part of the agreement which we made with the mother country. The increased duty was given as a matter of preference, for that and for no other purpose.

Mr. ILSLEY: Does it give it?

Mr. RHODES: My hon. friend has suggested that because we increased the duty from two to three cents per pound we have therefore increased the protection to a Canadian industry. Let me say to him that under the government which he supported the tariff was free, two and two. Did that protect, or did it not?

Mr. YOUNG: Apparently it did.

Mr. RHODES: I submit that it is only a question of degree.

Mr. ILSLEY: Precisely.

Mr. RHODES: This increased duty was imposed as a preference, the idea being to divert as much of this trade as possible to the mother country, and it does divert it to the extent to which it comes in free. The argument that there is an increased cost to the consumer falls entirely by the way. The item comes in free today just as it did under the government which my hon. friend supported. It has been suggested that because I did not wish to give names I was withholding information which should properly be given. I do not wish for one moment to withhold any information which this committee should properly have. If the committee insists, I shall give the names, but I do not see that any good purpose will be served.

Mr. YOUNG: We insist.

Mr. MACKENZIE (Vancouver): Is there any reason why we should not have them?

Mr. RHODES: It is only a question of discussing the business of individual companies. The hon. member for Hants-Kings referred to glass, but that is an entirely different matter. In that case the duty was imposed upon the distinct understanding that the price would not be increased. It was increased, and the government acted promptly to restore the old position.

Mr. ILSLEY: There is no difference.

Mr. RHODES: My hon. friend apparently has a thirst for information, perhaps brought on by too much confectionery. The manufacturers of cocoa butter in Canada are Fry's and Bakers. I am informed that all the other confectionery manufacturers are importers of this commodity.

Mr. YOUNG: Could the minister give us the number of employees and the wages paid?

Mr. RHODES: I have not those statistics.

Mr. RYCKMAN: And the ages of the wives.

Mr. YOUNG: If my hon. friend is interested in that information, he can get it, but we are not. What we are interested in and what we have a right to know is how many employees will be supported by this form of regulation, what they receive in wages, and what it will cost the country. I have no desire to make political capital for the Liberal party out of this incident, but the minister has stated that the duties were the same under the Liberal government. I say they were not, because at that time the preference meant free entry. There was no dump duty on exchange, and that is the manner in which the increase has come about. My hon. friends opposite have said: of course, the British pound is below par and we must add a special dump duty of 69 cents on a valuation of $3.73, or something like eighteen per cent. We never did that. Then in addition, there is the three per cent excise tax.

Mr. CANTLEY: You never did anything.

Mr. YOUNG: We never did that. The rate, free, under the Liberal regime was f-r-e-e. Now it means twenty-one per cent. We would like to have this information.

Mr. RHODES: I am sorry but I have not that information.

Mr. YOUNG: I suggest that the item stand until the minister can give the committee the number of employees and the wages paid.

Mr. RHODES: My hon. friend may ask for the figures, but they are not obtainable. I am advised that the Bureau of Statistics does not compile figures unless more than three or four industries are affected; therefore the figures are not obtainable.

Mr. POULIOT: I do not wish to intervene in this part of the debate for long, but I remember distinctly that during the special session the Prime Minister said that he was raising the tariff in order to decrease unemployment. At the same time he indicated the relation that existed in his mind between high tariff and employment. Therefore, if the Minister of Finance is a true disciple of the Prime Minister, he must follow in his footsteps, and in that case he must undoubtedly learn before raising the tariff, the number of people who will benefit from that increase in securing work. I base my argument on the Prime Minister's statement: This is why I believe it is very strong.

Mr. YOUNG: There is another question I should like to ask the minister. He says that this was done with the object of giving Britain a preference. I want to ask him whether the British delegates asked for this preference and, if they did, whether they understood it would amount to only two or three per cent.

Mr. RHODES: I shall not for a moment attempt to become responsible for what the understanding of the British delegates was in respect to the implications of this or any other item of the tariff. I can only assume, as do hon. gentlemen opposite and, I think, quite properly, that the British are shrewd traders, keen business men, and they knew very well what they were about.

Item agreed to.

Customs tariff—79. Florist stock, viz.: Azaleas, rhododendrons, pot-grown lilacs, rose stock and other stock for grafting, seedling carnation stock, araucarias, bulbs, corms, tubers, rhizomes and dormant roots, n.o.p.; seedling stock for grafting, viz.: Plum, pear, peach and other fruit trees: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. MACKENZIE (Vancouver): How many, if any, of these items come from Great Britain?

Mr. RHODES: Imports under this item were $677,000, of which $28,000 worth came from the United Kingdom; $38,000 from the United States, and almost the entire remainder from the Netherlands.

Mr. MACKENZIE (Vancouver): Does the statement which the minister has before him indicate which of the items would come from Great Britain?

Mr. RHODES: I am sorry I cannot give the individual items. The item is a complicated one and the amount covers the whole.

Mr. POULIOT: Rhododendrons grow wild in South Africa.

Mr. NEILL: I trust the hon. member for West Kootenay will hear me say that I support this item. I am sure he will be gratified. This is a very modest form of protection, only 15 per cent and 20 per cent. While it is not popular to advocate protection in these days of reaction against the extreme high tariff policies of hon. gentlemen opposite, yet I am not ashamed to say that to a moderate degree I am in favour of a tariff especially on a new industry. There has grown up in British Columbia, possibly in the district represented by the hon. member for Nanaimo and also in the district I represent, an industry in this class of bulbs. The growers have been very hard hit in the last year or two, because when Britain imposed a duty on foreign imports it practically shut Holland out of the British market, with the result that Holland redoubled her efforts and unloaded her goods on the Canadian market with disastrous consequences to this young and growing industry. In my district there is a man who has made a specialty—I think he is known throughout Canada—of the production of rhododendrons; growing and propagating them in the open air he could supply the whole of Canada. I do not know whether the hon. member for Vancouver Centre intends to oppose this item—

Mr. MACKENZIE (Vancouver): No.

Mr. NEILL: —but I intend to support it and I hope the hon. member for West Kootenay will be pleased.

Mr. COOTE: I think the first two items illustrate the very dangerous nature of the agreement which has been negotiated, because we are raising the tariff against Holland on goods that come largely from that country, and it is only natural to expect that Holland will not feel very gracious towards us over this treatment. Holland has been a good customer for Canadian wheat, and I am afraid we are doing a very unwise thing in imposing what may seem to be small, irritating tariffs, but which may result in action by Holland to cancel the treaty that we have with that country. When I was in Montreal within the last ten days I met a man who had just returned from Europe, and who said he had been talking to one of the largest wheat importers in the Netherlands in an effort to interest him in Canadian wheat. The importer, however, said that they were no longer interested in importing our wheat because we did not seem to want to take any goods from them. That is something we cannot ignore. I regret very much that in negotiating this trade agreement with Great Britain, instead of raising tariffs against countries like Holland, we did not offer Britain some concessions, for instance, in the form of a reduction of tariff on textiles. That would have been of much greater benefit to Britain and of considerable benefit to Canada, and it would not have put us in so much danger of losing our trade treaty with Holland, which is so good a customer of ours. The figures given this afternoon indicate that Holland is buying twice as much from Canada as we are buying from her. It is unfortunate that we should raise duties against such a good customer in order to secure this trade agreement. It is one of the objectionable features of the agreement.

Mr. SPEAKMAN: I should like to say very plainly that in this matter I am in absolute agreement with the principle advanced by the hon. member for Macleod. In the first place I am strongly in favour of trade within the empire. In the second, I have no objection at all to diverting trade from a country that will not buy our goods to one that will. It, is however, bad policy and unsound business, at a time when markets are being so largely closed against us, to alienate a good customer like Holland which has consistently purchased from two to three times as much in value of our goods as we have bought from her. This is going against the principle which has been enunciated of diverting trade from countries that will not trade with us to countries that will, and I join very strongly in the protest of the hon. member for Macleod. It surely would have been possible to make an agree-

ment with Britain without attacking one of the few countries that will do business with us, especially when we consider the number of countries that have practically closed their doors to us and the comparatively small and specialized nature of the business that nations such as Holland carry on.

Mr. YOUNG: I am in hearty agreement with the sentiments of the two hon. gentlemen to my left in regard to antagonizing Holland. A story very similar to the one told by the hon. member for Macleod came to me of a miller from Holland at present in western Canada who was approached with regard to purchasing Canadian wheat. "Why should I buy Canadian wheat?" he asked. "Why not?" was the retort. "Because your government" he replied, "has imposed prohibitive duties on the very few things that Holland sells to Canada, and so there is no reason on earth why we should buy your wheat. You have done your level best to destroy Holland's trade with you, and I am not going to buy your Canadian wheat. That is my answer."

Mr. NEILL: Would the hon. gentleman regard a duty of 15 per cent as prohibitive?

Mr. YOUNG: On some articles, yes. Formerly these articles came in free from all countries. Now they are free from Great Britain, 15 per cent intermediate, and 20 per cent general tariff. If Great Britain could not compete when they were coming in free, can she compete when the effective duty is 21 per cent? Because you have to add the dumping duty on to your excise tax and it makes a duty of approximately 21 per cent against these goods coming in from Great Britain, as compared with 15 per cent plus 3½ per cent under the intermediate tariff. The rate is actually higher on goods coming in from Great Britain than from other countries.

Mr. NEILL: Then you cannot kick.

Mr. YOUNG: That is not where my kick comes in. My kick comes in here, that we are putting on a tariff against all countries which is going to shut out these goods and compel us to buy them from the Canadian producer. I want to ask the minister if any representations have been made to the government by anyone in Canada interested in the production of these goods that these duties be imposed; and if so, by whom?

Mr. RHODES: I am not aware of anybody in Canada having asked that these duties be imposed.

Mr. YOUNG: I understand that there have been such representations.

[Mr. Speakman.]

Mr. RHODES: I am not aware of any, and I am advised by my technical officers that we were not requested to impose these duties. The same observations apply to this as to the other item. It was a matter of negotiation between our delegates and those of Great Britain.

Mr. YOUNG: Surely the British delegates never asked that a thing that was coming in free should now be taxed 21 per cent, a higher rate under the British preference than under the intermediate tariff. I understand that representations were made by a company which aspires to produce certain of these goods in Canada, and the people of Canada are going to be made to pay. Further, this tariff will not bring in any revenue because it will be prohibitive, and the people will have to buy the Canadian goods.

Mr. SPENCER: How many of these flowers can be produced in either Great Britain or Canada?

Mr. RHODES: I do not know that I can answer the question with absolute accuracy. I can only answer on the advice which is given to me. I am told that the production of practically all of these items is common to Great Britain and Canada, and in British Columbia there is a very substantial industry.

Mr. COOTE: In negotiating the trade agreements was the matter kept in mind of trying to protect the trade we now enjoy with countries with which we have trade treaties? It seems to me that that is very important, and I should like to know whether care was taken not to interfere unduly with our trade with these other countries.

Mr. RHODES: There is an old maxim that you cannot make an omelet without breaking eggs, and you cannot enter into trade agreements designed to divert trade into empire channels without, to a certain extent, taking it away from other channels. In negotiating this agreement there was no desire to injure the trade of any country with which we have friendly trade relations, but if the incidents of the treaty is to take away a certain amount of business from other countries, it is simply the result of the agreement and it cannot be helped.

Mr. COOTE: Was any care taken to divert trade from countries which have a favourable trade balance against Canada rather than from countries compared with which we have a favourable trade balance?

Mr. RHODES: To a very large degree that might be true, but it must be borne in mind on the one hand that we felt we were receiving marked concessions from the mother country, and on the other hand we were met with requests from them in return. All I can say is that the agreement as finally reached is the result of the pooled judgment of the two delegations.

Item agreed to.

Customs tariff—83. Potatoes, as hereunder defined: (a) in their natural state, per one hundred pounds: British preferential tariff, free; intermediate tariff, free; general tariff, 75 cts.

Mr. RHODES: There is no change in either the wording or the rates of this item. It is inserted in the agreement merely for the purpose of guaranteeing the continuance of free entry.

Item agreed to.

Customs tariff—143a. Cigarettes, the weight of the paper covering to be included in the weight for duty, per pound: British preferential tariff, $3.50 and 25 per cent; intermediate tariff, $4.10 and 25 per cent; general tariff, $4.10 and 25 per cent.

Mr. YOUNG: The old rate was $4.10 plus 25 per cent in all three columns. The new rate is $3.50 British preferential, $4.10 intermediate and $4.10 general, plus 25 per cent in each case. What will be the applied rate on these goods coming from Great Britain and from the outside world?

Mr. RHODES: The details would be a matter for the National Revenue department, and I would not attempt to go into all the ramifications. But if my hon. friend will look at the parallel columns he will see the change in the rates.

Mr. YOUNG: That is the change in the nominal rates; I want to know the change in what will be collected. Formerly it was $4.10 plus 25 per cent from Great Britain, and now it is $3.50 plus 25 per cent, plus the dumping duty of about 18 per cent, plus 3 per cent excise. I would like to have it all added up.

Mr. HANSON (York-Sunbury): Figure it out for yourself.

Mr. YOUNG: I am directing my question to the Minister of National Revenue.

Mr. RYCKMAN: I think the figures are plain, and judging from past performances my hon. friend is very skilful in handling figures. It has been said that figures do not lie, but I was going to suggest, without any offence, that the hon. member for Weyburn has made figures come closer to it than anybody else that I know of.

Mr. STEWART (Edmonton): No, I think we must give first place to the department over which my hon. friend presides.

Mr. RYCKMAN: Frankly I think the hon. gentleman should do his own arithmetic. If we do not challenge his results I do not want the hon. gentleman to imagine that we accept it; for I for one do not.

Mr. RHODES: The hon. member for Weyburn need not be unduly alarmed about this item. So far from there being a reduction in revenue, if there is any change at all I anticipate that there will be an increase, and I will state why: There was imported last year $97,000 worth of cigarettes affected by this item, and it was felt that we would perhaps be able to increase the imports of this special type of cigarettes. If we do, our revenue will be increased rather than diminished.

Mr. YOUNG: If the reduction is genuine that might be true, but if this ostensible reduction should turn out to be really an increase in the duty, I do not think the importations will increase very much. That is why I asked my hon. friend to figure out what will be collected.

Mr. STEVENS: It is a reduction.

Mr. YOUNG: The minister says that figures do not lie, but some people come pretty close to making them do so. Remember what happened this afternoon in regard to the trade figures.

Mr. RHODES: My hon. friend is ingenious and resourceful, and I have the greatest admiration for the nimbleness of his mind. This afternoon and early this evening he was arguing that an increase in tariff involved an increase in the cost of the goods. Now, if you please, he takes the other tack and suggests that if we reduce the duties we are still increasing the cost of the goods. I should like to know where my hon. friend would like to stay, which side of the argument he would like to take. As a matter of fact he knows perfectly well that under this item we are reducing the duty.

Mr. YOUNG: I am not so sure about that; I am not so sure that the minister is reducing the duty. It may be that he is reducing the duty from $4.10 plus 25 per cent to $3.50 plus 25 per cent, but we must remember that the exchange dumping duty has to be added, and a three per cent excise tax. I want to

know what the whole thing will amount to. As has been stated before, figures may be made to convey a false impression. I do not suggest for a moment that the Minister of National Revenue, the Minister of Trade and Commerce or whoever was responsible for issuing these trade figures did so with the idea of deceiving the public, but—

O, what a tangled web we weave,
When first we practise to deceive!

When the practice of putting on false valuations was adopted it was unavoidable that returns should be false.

Mr. RYCKMAN: That is not fair. The hon. member may have been speaking in fun, but I resent any allegation of false figures. As long as the hon. member for Weyburn has been living and walking around the pound has stood at $4.86⅔. Today in England the value of the pound is at the same figure, and there has been no change. We have taken the pound at the figure England has placed upon it, namely $4.86⅔, and that is the figure today. Of course, probably because of the depression, the pound in New York stands at something like $3.32. Today the valuation fixed by the Department of National Revenue is $3.71. The fallacy of the hon. member's argument rests in the fact that he believes the pound will always be at $3.32, or $3.71, as the case may be. He believes that there will always be a dumping duty, and he hopes it will be continued, because every calculation he has made has been on the assumption of a dumping duty with the pound at $3.71 or $3.32. I ask the hon. member, for whom I have the greatest respect, not to say that the figures are false. The explanation is clear on the face of it; there is no doubt as to how the computation has been made.

Mr. YOUNG: The minister says the pound is worth $4.86⅔ in Great Britain. Well, I will give him a chance to make a fortune. I will sell him British pounds at $4 each; certainly if they are worth $4.86⅔ he can make some money. Will he take my offer? Certainly he will not.

Mr. HANSON (York-Sunbury): Really, that is silly—absolutely silly.

Mr. STEWART (Edmonton): Do not be alarmed.

Mr. HANSON (York-Sunbury): I am not a bit alarmed; it is just obstructing, that is all it is.

Mr. YOUNG: I am trying to figure out what this duty would be. As near as I can calculate it the price would be $5.26 per pound. Maybe I am wrong; if I am, perhaps my hon. friend will check my figures or figure it out for himself. The duty levied under the general rate will be $5.57, leaving a preference of only 31 cents per pound. Is it the intention of the government to extend only that preference?

Mr. RHODES: I can say nothing further to my hon. friend. I cannot attempt to follow him in his argument. I have assured him that if he will look at the figures he will see that there has been a reduction in the duty.

Item agreed to.

Customs tariff—144. Cut tobacco, per pound: British preferential tariff, 80 cents; intermediate tariff, 95 cents; general tariff, 95 cents.

Item agreed to.

Customs tariff—145. Manufactured tobacco, n.o.p. and snuff per pound: British preferential tariff, 75 cents; intermediate tariff, 90 cents; general tariff, 90 cents.

Item agreed to.

Customs tariff—146. Ale, beer, porter and stout, when imported in casks or otherwise than in bottle, per gallon: British preferential tariff, 25 cents; intermediate tariff, 35 cents; general tariff, 35 cents.

Mr. COOTE: What reduction of revenue is expected under this item?

Mr. RHODES: It is doubtful whether there will be any reduction; in fact if the importations increase as a result of the reduction in duty there will be an increase in revenue. The imports in bottles last year amounted in all to $388,000. Of that amount, $318,000 came from the United Kingdom and $55,000 from Japan.

Item agreed to.

Customs tariff—147. Ale, beer, porter and stout, when imported in bottles, per gallon: British preferential tariff, 30 cents; intermediate tariff, 50 cents, general tariff, 50 cents. Provided that six quart bottles or twelve pint bottles shall be held to contain one gallon.

Item agreed to.

Customs tariff—152. Lime juice, fruit syrups and fruit juices, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. COOTE: What are the importations under this item, and from what countries do they come?

Mr. RHODES: The importations last year were valued at $204,000. Of that quantity $171,000 worth came from the United States and $22,000 from the United Kingdom.

Item agreed to.

Customs tariff—156. Ethyl alcohol, or the substance commonly known as alcohol, hydrated oxide of ethyl or spirits of wine, n.o.p.; gin of all kinds, n.o.p.; whiskey and all spirituous or alcoholic liquors, n.o.p.; amyl alcohol or fusel-oil, or any substance known as potato spirit or potato oil; methyl alcohol, wood alcohol, wood naphtha, pyrosylic spirit or any substance known as wood spirit or methylated spirits; absinthe, arrack, or palm spirit, brandy, including artificial brandy and imitations of brandy, n.o.p.; cordials and liqueurs of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, angostura and similar alcoholic bitters or beverages; and wines, n.o.p., containing more than forty per cent of proof spirit, per gallon of the strength of proof: British preferential tariff, $8; intermediate tariff, $10; general tariff, $10.

Provided, as to all goods specified in item No. 156 when of less strength than the strength of proof, that no reduction or allowance shall be made in the measurement thereof for duty purposes, below the strength of 15 per cent under proof.

Item agreed to.

Customs tariff—157a. Amyl alcohol or refined fusel-oil, when imported by the Department of National Revenue, or by a person licensed by the minister, to be denatured for use in the manufacture of metal varnishes or lacquers, to be entered at ports prescribed by regulations of the minister, subject to the Excise Act and to the regulations of the Department of National Revenue, per gallon: British preferential tariff, free; intermediate tariff, 25 cents; general tariff, 25 cents.

Item agreed to.

Customs tariff—159. Spirits and strong waters of any kind, mixed with any ingredient or ingredients, as being or known or designated as essences, extracts, or ethereal and spirituous fruit essences, n.o.p., per gallon: British preferential tariff, $8; and 30 per cent; intermediate tariff, $10 and 30 per cent; general tariff, $10 and 30 per cent.

Item agreed to.

Customs tariff—160. Alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:—

(a) when in bottles or flasks containing not more than four ounces each: British preferential tariff, 60 per cent; intermediate tariff, 90 per cent; general tariff, 90 per cent.

(b) when in bottles, flasks or other packages, containing more than four ounces each, per gallon: British preferential tariff, $5; intermediate tariff, $5 and 40 per cent; general tariff, $5 and 40 per cent.

Mr. COOTE: Would the minister tell us what were the importations under this item, and from what countries they came?

Mr. RHODES: In bottles of four ounces or less, importations were valued at $75,000. Of that amount $56,000 worth came from France; $10,000 from the United States and $5,000 from the United Kingdom. In bottles over four ounces the importations were valued at $56,000. Of that amount $38,000 worth came from France; $12,000 worth from the United States and $4,000 from the United Kingdom.

Item agreed to.

Customs tariff—166. Acetone and amyl acetate: British preferential tariff, 10 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. SPENCER: Where does this come from?

Mr. RHODES: The imports last year amounted to $108,000, and came entirely from the United States.

Mr. SPENCER: Is it expected that trade can be shifted to Great Britain?

Mr. RHODES: This is one of the items upon which the British delegates laid particular stress. They felt they could supply this to advantage.

Item agreed to.

Customs tariff—168. Malt flour containing less than 50 per centum in weight of malt; malt syrup or malt syrup powder; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign excise duties, under regulations prescribed by the minister, per pound: British preferential tariff, 3 cents and 20 per cent; intermediate tariff, 5 cents and 30 per cent; general tariff, 10 cents and 35 per cent.

Item agreed to.

Customs tariff—171. Comic periodicals for juveniles: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—171. Books, printed, periodicals and pamphlets, or parts thereof, n.o.p., not to include blank account books, copy books, or books to be written or drawn upon: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. COOTE: Would the minister please give us particulars of importations under this item?

Mr. STEVENS: The imports last year were valued at $2,536,000, of which $1,476,000 came from the United States, $886,000 from the United Kingdom and $132,000 from France.

Item agreed to.

Customs tariff—178. Printed advertising matter issued by railway systems: British preferential tariff, free:

Mr. SPENCER: There is nothing in the other two columns.

Mr. YOUNG: There is probably none coming from outside the empire.

Mr. RHODES: This item is applicable only under the British preference.

Item agreed to.

Customs tariff—188. Plain basic photographic paper, baryta coated, adapted for use exclusively in manufacturing albumenized or sensitized photographic paper: British preferential tariff, free: intermediate tariff, 15 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—192. Roofing and shingles of saturated felt: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 35 per cent.

Mr. SPEAKMAN: Is there any record of the imports under this item?

Mr. RHODES: I am advised that it is impossible to segregate the items, but the total importations last year under the whole item were $60,000 in value.

Mr. SANDERSON: Are these saturated felt shingles manufactured in this country, and if so, where?

Mr. RHODES: Yes, they are manufactured in this country in very large quantities. I am advised that there are about ten different industries manufacturing them.

Mr. MACKENZIE (Vancouver): A different type from this, isn't it?

Mr. RHODES: A similar type, I understand. But I am advised that Great Britain has been specializing more in felt, whereas Canadian manufacturers have been specializing in asbestos.

Mr. SPEAKMAN: Is there any record of importations from Great Britain?

Mr. RHODES: I am advised that the only course open to the officers of the department was to take the whole item, importations of which amounted to $60,000 in toto; but there would be no way of segregating the amount which would be imported under the item we are now discussing.

Mr. SPEAKMAN: The whole thing is small, but could any estimate be made as to the proportion of goods of that character which will come from Great Britain?

[Mr. Stevens.]

Mr. RHODES: The item is small, but if the hon. member will look at the parent item he will see it covers a very wide range of commodities—tarred paper and prepared roofings, including shingles; fibreboard, strawboard, sheathing and insulation, manufactured wholly or in part of vegetable fibres, n.o.p.; blotting paper, not printed nor illustrated. There is no method whereby we can compute how much the importations, if any, were under the item felt shingles.

Item agreed to.

Customs tariff—199. Waxed stencil paper for use on duplicating machines: British preferential tariff, 10 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—203. Chemical compounds composed of two or more acids or salts soluble in water, adapted for dyeing or tanning: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. MACKENZIE (Vancouver): Was this free all across in the last schedule?

Mr. RHODES: Yes.

Item agreed to.

Customs tariff—203. Aniline and coal tar dyes, soluble in water, in bulk or packages of not less than one pound weight: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. YOUNG: This was free all across the line before?

Mr. RHODES: Yes.

Mr. YOUNG: Could the minister give the importations and the sources?

Mr. RHODES: Importations last year were, in value, $2,000,000, of which $972,000 came from the United States, $570,000 from Germany, $320,000 from Switzerland, and $165,000 from the United Kingdom.

Mr. STEWART (Edmonton): Does my hon. friend think that ten per cent will switch the trade to Great Britain?

Mr. RHODES: Well, that is problematical.

Mr. STEWART (Edmonton): They are satisfied?

Mr. RHODES: At all events the British asked for it, and were satisfied with this spread.

Mr. YOUNG: Our heaviest importations came from the United States; only $165,000 came from Great Britain. The rate from the United States in the future is to be 10 per

cent; the rate from Great Britain, forgetting about the excise, will be 18 per cent on the present value of the pound. If Great Britain could not compete with the United States when they were free on both sides, how is it expected she can compete now? The preferential rate will be actually higher than the general.

Mr. RHODES: I cannot give any better answer to my hon. friend than I gave to the hon. member for West Edmonton (Mr. Stewart). It was a matter of agreement, and our British friends were satisfied. We will see how it works out.

Mr. YOUNG: They are easily satisfied.

Item agreed to.

Customs tariff—206. Bacteriological products or serum for subcutaneous injection: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. HOWDEN: May I ask why this has been put on? Were very strong representations made to the government that this duty be put on these sera?

Mr. RHODES: This item was one of those which was specially requested by the United Kingdom delegates. The imports last year of commodities embraced in this item amounted in all to $115,000.

Mr. HOWDEN: May I ask how these imports were distributed? To what extent did they come from Great Britain?

Mr. RHODES: Almost entirely from the United States.

Mr. HOWDEN: Have we any guarantee that we shall have a ready and adequate supply of these important materials from the British manufacturers? Because it is very important that we should have an ample supply of these sera, available at all times.

Mr. RHODES: I can quite understand the interest of my hon. friend and his peculiar knowledge of the subject matter embraced in this item. I can only say in answer that inasmuch as this item was specially requested by the British delegates we must assume that they were particularly interested in it, and feel they are in a position to supply the requirements, both as to quality and quantity and delivery of our Canadian necessities.

Mr. HOWDEN: At a satisfactory price?

Mr. RHODES: I should think so, unquestionably.

Item agreed to.

Custom tariff—207. Blood albumen: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—208. Sal. ammoniac and nitrate of ammonia: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—208. Oxide of cobalt: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—208. Bichloride of tin and tin crystals: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—208. Sulphate of copper (blue vitriol): British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. ILSLEY: Where does this commodity come from? How much do we import from the United Kingdom and how much from other countries? This is a very important spraying material.

Mr. RHODES: The imports last year were valued at $140,000, of which $48,000 came from the United States; $37,000 from the United Kingdom; $30,000 from Belgium and $24,000 from Germany.

Mr. BROWN: This item is of great importance to the agriculturist. It is just an extra burden laid upon him at a time when the prices of all farm products are depressed. Sulphate of copper is used very extensively in the west in treating grain for smut, and Bordeaux mixture is used by fruit growers. This is an extra burden imposed on the farmer.

Mr. RHODES: I must respectfully demur to the view expressed by my hon. friend. In the first place, the imports totalled $140,000, and the hon. gentleman must realize that this commodity is used in industry as well as by the agriculturist.

Mr. BROWN: It will be a burden on industry, then.

Mr. RHODES: I cannot understand how it can be a burden on industry because we have not gone so far as to put on a tariff for revenue. This comes free from Great Britain. If my hon. friend agrees that there should be tariffs for revenue, he cannot object to the free entry of this article.

Mr. BROWN: But it was free under all tariffs before.

Mr. RHODES: Yes, but does not my hon. friend think that the farmers of Canada would like to get a free commodity from Great Britain rather than from Germany, Belgium or France, if by so doing we can carry out an agreement?

Mr. BROWN: This is one of the items that violate the principle laid down by the Right Hon. Stanley Baldwin at the opening of the conference, that we should secure preferences by reducing tariffs rather than by raising them.

Mr. RHODES: If my hon. friend can inform me how we can establish a preference with respect to an item which before was free to Great Britain, except by imposing a duty against other countries, unless we give a bonus on importations, then I shall be glad to hear what he has to say.

Mr. BROWN: This is one of the items on which I would not have tried to give a preference.

Mr. ILSLEY: What is the domestic production of this article, if any?

Mr. RHODES: There is none produced in Canada.

Mr. NEILL: Would the minister be good enough to allow us to go back for a moment to "ex 208—sal ammoniac and nitrate of ammonia." In the original this appears to be sulphate and not nitrate of ammonia. If I have not forgotten my knowledge of fertilzers, this is an important fertilizer ingredient, and the situation is much worse here than it is in connection with the item to which my hon. friends behind me are objecting, because the duty is not ten per cent but twenty-five per cent. Why is it described as nitrate of ammonia instead of sulphate?

Mr. RHODES: This does not touch sulphate of ammonia. The imports of sal ammoniac and nitrate of ammonia last year were valued at $114,000.

Mr. NEILL: Where was nitrate of ammonia before?

Mr. RHODES: If my hon. friend will refer to the votes and proceedings he will see there an item of sulphate of ammonia in connection with ways and means.

Mr. MACKENZIE (Vancouver): In connection with the item we are now discussing, the entire importation last year was from the United States, was it not?

Mr. RHODES: Is the hon. member speaking of sal ammoniac?

[Mr. Brown.]

Mr. MACKENZIE (Vancouver): No, sulphate of iron.

Mr. RHODES: We have not come to that item yet.

Item agreed to.

Customs tariff—208. Sulphate of iron (copperas): British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: Our imports last year amounted to $11,000, of which $10,000 came from the United States and $1,000 from the United Kingdom.

Item agreed to.

Customs tariff—208. Cream of tartar in crystals and tartaric acid crystals: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. COOTE: What were the importations last year?

Mr. RHODES: The imports amounted last year to $308,000, of which $131,000 came from the United Kingdom; $61,000 from France; $61,000 from Germany, and $36,000 from the United States.

Item agreed to.

Customs tariff—208. Phosphorus and compounds thereof, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. COOTE: Will the minister give the same information in regard to this item.

Mr. RHODES: The imports last year were valued at $38,000 and came entirely from the United States.

Mr. BOUCHARD: Is rock phosphate included in this item?

Mr. RHODES: There are a number of other phosphate items, some of which will follow subsequently. The total importations amounted to $38,000 last year.

Mr. SPENCER: Is it expected that Great Britain will be able to supply our wants?

Mr. RHODES: That is the expectation.

Mr. BOUCHARD: Can the minister tell me definitely under what item phosphate rock used as fertilizer comes in?

Mr. RHODES: The item to which my hon. friend refers is not touched; it remains the same.

Item agreed to.

Customs tariff—208. Oxalic acid: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. COOTE: If the minister would give us the importations under each item it would expedite matters.

Mr. RHODES: The total importations last year under this item were $16,000, of which $12,000 came from Germany and $4,000 from the United States.

Item agreed to.

Customs tariff—208. Oxide of tin or of copper: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The importations last year, under the parent item from which this was selected, amounted to $57,000, of which $46,000 came from the United States.

Item agreed to.

Customs tariff—208. Sulphate of zinc and chloride of zinc: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. RHODES: The total imports last year amounted to $65,000, of which $40,000 came from the United States and $21,000 from the United Kingdom.

Item agreed to.

Customs tariff—208b. Bisulphate of soda or nitre cake: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. RHODES: The imports last year under this item amounted to $130,000. They came entirely from the United States.

Mr. SPEAKMAN: In connection with this item I should like to make a very brief comment, which I think will apply as well to other items. This is the class of item where the total importations are not very high and there are no importations whatever from Great Britain. I understand the hope is that Great Britain will replace other countries in supplying these commodities but it does seem to me that this must inevitably be at a higher cost. Where Great Britain exports an appreciable quantity of any commodity, even though it is a small percentage of the total, it demonstrates that she is able to compete and sell at the market price, but where she does not export, the assumption cannot be otherwise than that she was not in a position or was not willing to sell in competition with other countries and at the price then prevailing. If she is prepared to take over the market in a commodity such as this, it must be at an additional price. It seems to me that that deduction is not only logical but inescapable —if she could not sell at the price then obtaining, she will not be able to sell at the same price even though the market is her own. Her only hope of replacing other countries will be by a rise in price to such a point as will make sales possible. I may be wrong, and I hope I am, but it seems to me that that is the only logical deduction which can be drawn.

The question then arises whether or not the additional price to be paid by the people of Canada will warrant the diversion of trade. That is a moot point and my remarks in connection with this item will apply to others. This is not a large item and it may be possible that a slight increase in price may be made without great harm being done. If it were possible for Great Britain to export even fifteen or twenty per cent of the total importations of a commodity, it would show that her manufacturers were capable of selling at the prices then prevailing, but when she does not export at all, it seems to me that she will sell only at an increased price.

Mr. RHODES: I always listen with interest to the remarks of the hon. member for Red Deer (Mr. Speakman) because I know he approaches these subjects from a thoughtful and studious point of view. It may be that his reasoning is sound; if it is, all I can say is that those who have been complaining that when we enter the British market under a preference of ten per cent we shall not obtain any increase in price, must admit that the same argument works both ways. My own impression is that it does not follow that there will be an increase in price. There is only a limited importation of the commodity in question, and I think we should be safe in taking the position that this being such a relatively small matter, it was not worth while for Great Britain to attempt to fight for the market. However, now that she has a sheltered market to the extent of this small preference, it will be to her advantage to attempt to supply this market, and in doing so I think the price will take care of itself. That, of course, remains to be seen. I hope my hon. friend is right.

Mr. SPEAKMAN: I hope I am wrong. I might point out to the minister that the parallel he draws does not apply. In the case of the preference given by Great Britain there is a clause in the treaty which states that we shall not take advantage of the duty in order to raise prices; we must sell at world prices.

Mr. RHODES: There is that additional feature.

Mr. SPEAKMAN: If a similar clause were applied to each of these items, the situation would be quite clear.

Mr. COOTE: I should like to know whether or not the importations under these items are for the use of manufacturers or consumers?

Mr. RHODES: I am advised that they are largely for use in manufacturing.

Item agreed to.

Customs tariff—208d. Calcium chloride, not in solution, for road-treating purposes only: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item amounted to $463,000, almost entirely from the United States. I am advised that this is a commodity which can be supplied with advantage by the mother country. It is a bulk commodity and could be shipped cheaply by water transport.

Mr. COOTE: Were there any importations from the United Kingdom?

Mr. RHODES: No.

Item agreed to.

Customs tariff—208e. Xanthates, cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item amounted to $221,000, of which $218,000 came from the United States.

Item agreed to.

Customs tariff—208h. Ethylene glycol, when imported by manufacturers of anti-freezing compounds to be used exclusively in the manufacture of anti-freezing compounds, in their own factories: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. COOTE: Could the minister give us the figures with regard to the importations under this item?

Mr. RHODES: The imports last year amounted to $188,000, of which $101,000 came from the United States, $63,000 from the United Kingdom, and $22,000 from Germany.

Mr. SPEAKMAN: Is any of this compound manufactured in Canada? This is an article in very common use in this country and it seems to me as though the imports would hardly supply the demand.

[Mr. Speakman.]

Mr. RHODES: There is none manufactured in Canada.

Mr. COOTE: Does the minister anticipate that with these new rates we shall be able to buy anti-freezing compound as cheaply as heretofore?

Mr. RHODES: I do.

Mr. COOTE: I hope that proves to be correct.

Item agreed to.

Customs tariff—209. Bichromate of potash, crude; red and yellow prussiate of potash: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item amounted to $17,000, of which $12,000 came from the United States and $1,000 from the United Kingdom.

Item agreed to.

Customs tariff—210. Peroxide of soda; silicate of soda in crystals or in solution, bichromate of soda; nitrate of soda or cubic nitre, n.o.p.; sulphite of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. ILSLEY: May I ask the minister what was the reason for placing nitrate of soda in this particular item? It is a very important fertilizer, and my information is that no nitrate of soda is mined in the British Empire. I wonder if I am correct in that. Why was it made dutiable at 15 per cent intermediate and 20 per cent general? The consumption in Nova Scotia is, I am told, about 5,000 tons a year, and at least ever since I can remember it has always been free under all classifications. Practically the only source of mined nitrate of soda is Chile, whence it comes via the United States, and has always come in free. There may be some reason from the standpoint of the extension of British trade for making it dutiable at 15 per cent under the intermediate tariff and 20 per cent under the general, but on its face it appears to mean simply that the farmers of Nova Scotia who are importing nitrate of soda will pay 20 per cent duty on their importations whereas formerly they did not. The price of nitrate of soda runs from $40 to $50 a ton and I anticipate this duty will increase the cost by $10 a ton.

Of course it is fair to say that there are substitutes. There are synthetic nitrates; there are other chemicals which have a nitrogenous content, but the most soluble and the

most satisfactory type is Chilean nitrate. At least that is the opinion of farmers in my district. I note by item 210e that nitrate of soda for certain manufacturing purposes has been taken out of the general classification and still is free under all tariffs. It would appear prima facie there is an unjustifiable discrimination against the farmer and in favour of the manufacturer in relation to that matter of nitrate of soda. I have made some inquiries about the nitrate situation. I would not be taking up the time of the committee in talking about this matter if it were not one of some importance in the province from which I come. I am told that the ordinary substitutes which serve somewhat the same purpose are sulphate of ammonia and cyanimid. Cyanimid is manufactured at a plant near Niagara Falls and sulphate of ammonia is manufactured by the Consolidated Smelters at Trail, British Columbia. If I am incorrect in my statements I shall be glad if the minister will correct me. This, however, is the best information I can get, and it would appear that this imposition of a duty of 15 per cent under the intermediate tariff and 20 per cent under the general is simply a protective tariff for the purpose of forcing fruit growers and farmers to purchase these substitutes which are manufactured in Canada instead of the fertilizer to which they are accustomed. There are other nitrogenous fertilizers such as nitro chalk which is manufactured in Britain, and nitrate of lime, but they are not well known and not extensively used. I should be glad if the Minister of Finance would state the reasons for the change that was made in this particular case. If it really will have the effect of diverting trade into British channels without imposing an additional burden upon Canadian producers, I should like to know that, but from the best information I can get it is a burdensome impost. There is no reason for laying this burden on the farmers and removing it from the manufacturers.

Mr. RHODES: I did not wish to rise and interrupt the hon. member for fear he would say that I was reading him a lecture.

Mr. ILSLEY: I would not have minded.

Mr. RHODES: My hon. friend seemed to take objection in that respect a short time ago. As a matter of fact he is entirely in error. If he will look at item 663b in the tariff he will find that materials for fertilizers come in absolutely free; they are not touched at all.

Mr. BOUCHARD: That is the compound.

Mr. ILSLEY: The minister is entirely mistaken.

Mr. RHODES: The minister is relying on the advice of his officials and he would prefer to take their advice at this time.

Mr. ILSLEY: Are these materials not free only when they are used for compounding and manufacturing into fertilizers? Nitrate is used in its natural state.

Mr. RHODES: If my hon. friend will read the item to which I made reference, he will find that it says:

> Articles which enter into the cost of the manufacture of fertilizers, when imported for use exclusively in the manufacture of fertilizers: free, free, free.

Mr. ILSLEY: That is exactly what I said. Nitrate of soda, as I have been discussing it, is not used for that purpose; it is used for putting on the ground in its natural state. If it is brought in to be compounded or manufactured, everyone knows that item 663b makes it free; but unless it is to be used for manufacturing purposes or unless it is to be used for the manufacture of explosives in regard to which a special exception was made, it is dutiable at 20 per cent. The question I am asking the minister is this: Is there some reason of high policy that makes that advisable?

Mr. RHODES: If the article to which my hon. friend refers is used in the manufacture of mixed fertilizers, it still comes in free.

Mr. ILSLEY: That is not the point. I am talking about its use other than for being made into mixed fertilizers; the way it is used in fertilizing orchards. Of course in the fertilization of potatoes, mixed fertilizers are put on, but I am told that about 5,000 tons of nitrate of soda a year are ordinarily used straight, without being mixed. Now it is made dutiable at 15 per cent under the intermediate tariff and 20 per cent under the general, and I think it is a reasonable question to ask what kind of policy is behind this action.

Mr. RHODES: It remains to be seen whether the commodity will cost any more than it did before. It still comes in free from Great Britain. As my hon. friend says, if they use it without mixing it and they import it under a duty, they will pay a duty. If they import it from Great Britain, they will not pay a duty. But if they mix it with any other commodity, they pay no duty, wherever it comes from. As a matter of fact they could mix it with sand if they wished so to do, so that the matter is not very serious.

Mr. ILSLEY: Is any nitrate of soda mined in the British Empire?

Mr. RHODES: No.

Mr. ILSLEY: Then that will dispose of that argument.

Mr. RHODES: They can manufacture it.

Mr. COOTE: Perhaps we can find out the importations of this article and whence they have come.

Mr. RHODES: The imports last year under the whole item, that is the parent item, amounted to $1,413,000, of which $1,086,000 came from the United States, $106,000 from Chile, $100,000 from Germany and $66,000 from the United Kingdom. That includes all the sodium.

Mr. COOTE: Would the minister now give us the importations of nitrate of soda by itself? Was the bulk of the importations from Chile?

Mr. RHODES: Our imports for 1932 from Chile were 48,515 hundredweight, valued at $106,000.

Mr. BOUCHARD: I endorse every word that was said by my hon. friend from Hants-Kings. We have been told so often that this government was going to make the tariff work for the farmer. I really do not see how it is working for the farmer. It does not work for the farmer with respect to butter or bacon, and it works against the farmer on sulphate of copper and on nitrate of soda. Nitrate of soda is a very important fertilizer which our farmers have been trained to use, and the funny thing about this duty, Mr. Chairman, is that there is practically no nitrate of soda produced in the United Kingdom. From the United Kingdom last year we received only $919 worth; from the United States $477,154; from Chile $106,156; from Belgium and Germany very little. What is the minister's explanation for taxing the farmer on this very essential fertilizer when practically none comes from England?

Mr. RHODES: The answer I would give to my hon. friend is this, that it is not anticipated that the farmer will pay any more for this commodity.

Mr. CASGRAIN: How do you know?

Mr. RHODES: It remains to be seen. I may be quite wrong. If the price were increased as a result of the preference my hon. friend's argument would be well founded, provided the farmers wish to use this commodity in its natural state; but if they use it in a mixed form, they pay no duty.

Mr. BOUCHARD: It means that they must pay the duty or manufacture it themselves.

Mr. RHODES: No, they can mix it themselves. They can mix it with sand if they wish to do so. My hon. friend's argument would hold good if the price were increased as a result of this arrangement.

Mr. BOUCHARD: It cannot be otherwise.

Mr. RHODES: I cannot agree with my hon. friend.

Mr. CASGRAIN: How do you know that the price will not be increased?

Mr. RHODES: That remains to be seen. We have made this agreement, and we disagree as to its results on this particular item. I believe I am right; my hon. friend thinks he is right; a year hence we shall know which is right.

Mr. YOUNG: If at the end of a year you find that the price is increased, what can you do about it?

Mr. RHODES: My hon. friend knows the answer himself. It will be just too bad.

Mr. YOUNG: You cannot do anything about it. Who asked for this legislation?

Mr. RHODES: The same answer holds as I have given with respect to other items. This item was a result of the negotiations. It was one of the items which was—

Mr. HOWARD: Slipped over.

Mr. RHODES: No. It was an item agreed to by the representatives of the mother country and of Canada. It was not placed in the agreement at the instance of any Canadian industry. It was not placed here for the purpose of affording protection to a Canadian industry.

Mr. YOUNG: It must have arisen spontaneously. No Canadian industry asked for it, no British industry was interested in asking for it, but yet it is here.

Mr. RHODES: I cannot accept my hon. friend's ipse dixit. He says that no British interest asked for it. They may have approached the British delegation. We were not dealing with British industries, but with

the British delegates. There were many commodities on which they sought a preference, and a preference, I might inform my hon. friend from Lisgar, by way of increased duties in some cases.

Mr. BROWN: I have no doubt of it.

Mr. RHODES: There is nothing sinister in this item.

Mr. YOUNG: Will the minister say that the British delegates really asked for this item when they do not produce the commodity?

Mr. RHODES: I have every right to say that. We certainly did not force it upon them. I cannot take the attitude that we had a specific request from the British government with respect to every individual item, but many of these items were arrived at as the result of very long conservations, and other items were discussed which do not appear in the agreement at all, as my hon. friend can well realize. But the mere fact that this particular item is in the agreement and has been agreed to by the British government is sufficient evidence, I think, that it met with their approval.

Mr. SPEAKMAN: It does seem to me that perhaps with perfectly good motives the Canadian delegates in connection with this item must have been ill advised by their officials. The officials surely could not have been fully acquainted with all the facts. Here is an article which is used in very large quantities. It is used in one particular condition, in its natural state, and for one specific purpose, a purpose which no other single commodity and no mixture will answer. It is a material which the minister states is not produced in the British Empire. Obviously then it cannot be supplied directly from the British Empire. One of two things must happen: Either the farmers will continue to import this article in its original state from countries where they are getting it at the present time, in which case, as the minister says, the price will be increased by the amount of the duty, or else they will have to turn to some other material for their fertilizer, or use a compound which experience has taught them is not as suitable. I am not censorious, Mr. Chairman. I voted for the agreement because I think the good in it more than counterbalances the bad, but I do believe that this item has been inserted in the agreement through a misapprehension of the facts brought about by a lack of knowledge on the part of the Canadian delegates. I suggest that an inquiry be made as to the possibility of supplies of this material being obtained from countries within the British Empire. If that is found to be impossible, then utilize the machinery which is being provided, discuss the matter with the British government, and avoid imposing additional costs upon farmers at a time like this.

Mr. RHODES: I am in entire accord with my hon. friend from Red Deer; if this tariff change resulted in an increase in cost to the farmers it would be most unfortunate. But by no means does it follow that it will. I have found our British friends extremely reasonable in matters of this kind, and if it should happen that as a result of the agreement the farmers have to pay an additional cost, we could make representations to the British government. I have no hesitation in saying to the committee that if that is the result we will make representations, because I am quite sure they would be the last to wish us to continue an arrangement which might not be of advantage to them, and which would be a disadvantage to certain of our people.

I do not know whether I have made myself clear, but I should like to point out again to the committee that if this commodity is brought in in its raw state it is dutiable, unless imported from the mother country. I am advised by customs officers that it can be brought from anywhere if it is mixed. As I have said, if they only mix it with sand, the fact remains that it is mixed. I do not believe this item will prove any obstacle to the farmers, but should it prove to be a disadvantage I repeat we shall be only too pleased to make representations to the mother country.

Mr. SPEAKMAN: I appreciate what the minister has said, and what he is prepared to do. My suggestion is that the correctness of these two premises be ascertained: First, whether some disadvantage will accrue to the farmer if he uses it other than in its original state, and, second, whether it can be purchased from the mother country or other parts of the British Empire. If it cannot be used except in its original state, save at a disadvantage, and if it cannot be brought in from the British Empire, I think it will be unnecessary to wait until proof has been shown before dealing with the matter.

Mr. SANDERSON: Mr. Chairman, there would seem to be something rather mysterious about this item. Apparently it has slipped in without anybody knowing anything about it. I suggest to the minister that the item may have been considered in the dying days

of the conference when matters were rather hectic and in a state of chaos. Possibly the British delegates put a fast one over. Probably the Canadian Manufacturers' Association worked too fast for the Canadian delegates, and the Minister of Finance did not notice that.

Mr. RHODES: I shall not admit that that happened. If it did, it happened without any knowledge. I am quite sure the hon. member for Red Deer will have no objection to the item if the commodity comes in without an increased price.

Mr. SPEAKMAN: I should be happy to have it that way.

Mr. RHODES: Quite so. I say that if as a result of the agreement the farmers are placed at a disadvantage, certainly we shall be glad to make representations to Great Britain.

Mr. MYERS: I am very glad to hear the minister's assurance in connection with this item. I probably know as much about fertilizers as any other hon. member of the committee, because for many years I have had occasion to use it. Under ordinary conditions the mixture we use for almost all crops is composed of four ingredients, namely, nitrate of soda, acid phosphate, muriate of potash and sulphate of ammonia. As the minister has said, if these are imported from any country in the world and mixed, as they are mixed in many plants in the maritime provinces and, I presume in other parts of Canada, they come in absolutely free of duty from any country. Nitrate of soda is the one ingredient used at times by itself. In the cultivation of potatoes we seldom mix nitrate of soda in our fertilizer. The reason is that nitrate of soda, once placed on the ground, is exhausted; ten days after it is used it has done its work. No farmers put nitrate of soda in the fertilizers which they put on the ground before the potatoes are planted. They wait until the potato plants are above the ground, and then if the plant is weak or delicate, they may use the nitrate of soda. If the tops are rugged and vigorous, they do not need it. But occasionally we do have to use nitrate of soda, and I submit that with the price of potatoes as it is the farmers would be bearing a heavy burden if the cost of fertilizer was increased. I feel certain the minister will consider this matter and that the farmers will be protected.

Mr. ILSLEY: What the hon. member who has just taken his seat has said concerning potatoes could be magnified ten thousand fold concerning apples. Nitrate of soda, being a very soluble fertilizer, is most favoured by apple growers. The results obtained from the use of it are apparent in the same season. I cannot add much to what I have previously said, but I am told the ordinary consumption in Nova Scotia is about 5,000 tons a year. This is a very expensive fertilizer, costing $40 to $50 per ton, and to place a duty of 20 per cent upon it would mean an increase in price of about $10 a ton. I should like to read a paragraph from the speech made by the Prime Minister on November 8 as it appears in Hansard at page 955. I bring this to the attention of the Minister of Finance in the hope that with the good disposition he has shown he or the government may do something to take this item out.

The Prime Minister is reported as follows:

> In schedule E, item 210, in respect of "nitrate of soda or cubic nitre n.o.p." a new item 210e has been added, as follows:
>
> "210e. Nitrate of soda or cubic nitre imported by manufacturers of explosives for use exclusively in the manufacture of explosives in their own factories: free; free; free." Although item 210 as set forth in the agreement carries the rate of free, 15 per cent and 20 per cent. The two governments after consultation have satisfied themselves that the United Kingdom is not in a position at the moment to supply Canadian requirements of nitrate of soda.

Of course not; they cannot supply any.

> But when it is in a position to satisfy Canadian requirements for all purposes the rate of duty will be as set forth in item 210.

My submission is that every good reason for making that exception in favour of manufacturers of explosives is a good reason for making it apply to the growers of apples. We cannot vary this agreement, we cannot move amendments, and we cannot, I suppose, rationally vote on items—or can we? But certainly I would ask the Minister of Finance to take that matter up and see if he cannot get that nitrate of soda out.

Mr. SPEAKMAN: There was only one possible reason for placing it on the free list as far as manufacturers of explosives are concerned, and that is that it would cost them more if it were not on the free list. Surely if it will cost the manufacturers of explosives more it will cost the farmers more if they have to use it in its original form, and surely it is much more important to see that the farmers are saved any additional cost than the manufacturers of explosives.

Mr. RHODES: I am quite content to have this item stand until I satisfy myself beyond question as to one or two of the questions which have been submitted to-night. I have

given the answers which have been supplied to me by the officials of the department in every instance. I will verify those before the next sitting.

Mr. NEILL: I might mention one fact which does not seem to have been touched upon regarding the inclusion of nitrate of soda in manufactured fertilizers. I understand there are certain chemicals or constituents of fertilizers with which nitrate of soda cannot be mixed; they react unfavourably against each other in some way. That is one reason why it should not be limited to that item, where it is included among manufactured fertilizers.

Mr. BOUCHARD: May I suggest that if possible all these fertilizers be put under one name? I suspect that the manufacturers, who were better represented at this conference than the farmers, obtained this concession in order to be able to sell to the farmers compound fertilizers, which would probably be more advantageous for the manufacturer than for the farmer. This item is very insidious, because so many different names are employed; you have "phosphorous and compounds thereof," "phosphoric acid," "acid phosphate," and so on. It is not clear at all. It takes an expert to decipher all these items as applying to the farmers. When we come to fertilizer compounds as taken out of the hands of the manufacturers it is clear, but when you come to the other items you have to look with a pair of double glasses to identify them. That is why I suspect that while the farmer was not represented at the imperial conference the manufacturers were given a good hearing.

Mr. RHODES: I cannot allow the remarks of my hon. friend to go unchallenged. These items were taken out and put in their several branches purely as a matter of departmental technique. They do not apply by any means only to the farmers; most of these items are used in the tanning, textile, and mining industries, and very little in the farming industry. So that the deduction my hon. friend makes is not warranted.

Item stands.

Customs tariff—210d. Sodium, sulphate of, crude, or salt cake: British preferential tariff, ½ cent per pound; intermediate tariff, ⅝ cent per pound; general tariff, ⅝ cent per pound.

Mr. RHODES: Imports last year under this item were $80,000 in value, $52,000 from the United Kingdom, $26,000 from the United States.

Item agreed to.

Customs tariff—210e. Nitrate of soda, or cubic nitre imported by manufacturers of explosives for use exclusively in the manufacture of explosives in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item stands.

Customs tariff—ex 211. Chloride of aluminum, or chloralum: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: The imports last year were $13,000, of which $12,000 were from the United States and $1,000 from the United Kingdom.

Item agreed to.

Customs tariff—212. Sulphate of alumina or alum cake; and alum in bulk, ground or unground, but not calcined: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: Imports last year amounted to $608,000, of which $522,000 were from the United States, $54,000 from the United Kingdom, and $30,000 from Germany.

Item agreed to.

Mr. DUPUIS (Translation): Mr. Chairman, before you declare this item carried, may I refer to articles 171, 171a and 178 over which no discussion took place? I think that Canadian citizens of French extraction should be afforded the privilege of receiving books, coming from France, duty free.

Mr. LAVERGNE (Translation): The hon. member cannot discuss the question without having a motion to this effect adopted.

I shall first put it to the vote.

Mr. CASGRAIN: I will so move, Mr. Chairman.

The CHAIRMAN: It is moved by Mr. Casgrain that the committee revert to items 171 and ex 178 for reconsideration.

Mr. RHODES: I suggest that if my hon. friend desires to make some observations in regard to this item, he will have his opportunity in ways and means. We will have to consider this item again in ways and means.

Mr. CASGRAIN: With the understanding that we can discuss it in the committee of ways and means.

Mr. RHODES: I do not wish to curtail discussion, but when the subject was opened this afternoon I particularly expressed the hope that when we discussed item by item the schedules in the bill we would not repeat the

item under ways and means. I do not wish unduly to curtail discussion under ways and means, but I wish to have that understood.

Customs tariff—215. Stearic acid, n.o.p.: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. RHODES: Imports last year amounted to $83,000 of which $46,000 came from the United Kingdom, $22,000 from the United States, $13,000 from the Netherlands.

Item agreed to.

Customs tariff—216. Acids, n.o.p., of a kind not produced in Canada. British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.
Phosphoric acid: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. RHODES: It is impossible to segregate from the parent item the exact importations. The total importations under the parent item last year amounted to $236,000, of which $128,000 came from the United States, $67,000 from Germany, and $26,000 from Great Britain.

Item agreed to.

Customs tariff—216. Nitric acid, not including glass containers, when in packages weighing not more than one hundred pounds: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 22½ per cent.

Mr. RHODES: Mr. Chairman, it is not possible to give statistics relative to the importations of chemically pure acid. The total importations last year, under the item from which this was extracted, were $22,000.

Item agreed to.

Customs tariff—217. Sulphuric and muriatic acids, not including glass containers, when in packages weighing not more than 100 pounds, per hundred pounds: British preferential tariff, free; intermediate tariff, 22½ cents; general tariff, 25 cents.

Mr. RHODES: The same explanation holds with respect to this.

Item agreed to.

Customs tariff—218. Acid phosphate, not medicinal: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. BOUCHARD: This item is a new burden on the farmer's shoulders. If you will look at the quarterly report of the trade of Canada for the year ended March, 1932, you will see that not a pound of this fertilizer, called superphosphate or acid phosphate of lime, comes in from the United Kingdom. The bulk of it comes from the United States.

[Mr. Rhodes.]

We imported $748,000 from the United States, a little from Belgium and over $200,000 from the Netherlands, and the duty collected last year under this item, if I am correctly informed, amounted to $7,574. This commodity is much needed by our farmers and unless the minister can give us some explanation I do not see why, in view of the fact that this fertilizer is not being produced in the United Kingdom, a duty should be imposed against the United States, Belgium and the Netherlands, especially when you remember that the promise was given the farmers that tariffs would always work in their favour. Far from that being so, I find that in this as in many other items the tariff is working against them.

Mr. RHODES: My hon. friend has apparently overlooked the fact that the farmers for whom he speaks, when they imported this commodity, even from Great Britain, had to pay a duty of 12½ per cent whereas today they import it free.

Mr. BOUCHARD: Yes, but none comes from Great Britain.

Mr. RHODES: I know, but we are speaking of the past. Because none has come in the past, it does not follow that none will come in the future, and even if the farmers import it from the United States, if they use it in mixture, they pay no duty at all.

Mr. BOUCHARD: I gave the figures to prove that with the increased duty the amount collected from the farmers will be even greater in the future. The highest rates were: British preferential tariff, 12½; intermediate, 17½; general, 20. Now it will come free from Great Britain, but not a pound has come from that source.

Mr. RHODES: Yes. Last year we imported $5,000 worth from Great Britain, according to the trade figures. The total importations last year were $194,000, of which $189,000 came from the United States and $5,000 from Great Britain.

Mr. BOUCHARD: I wish the minister would tell me where he got his figures.

Mr. RHODES: These are the figures supplied by the Department of Trade and Commerce.

Mr. BOUCHARD: And the figures I have given are supplied by the department too.

Mr. CASGRAIN: They have a special set for the government.

Mr. RHODES: If my hon. friend will look at page 261 of the quarterly report of the trade of Canada he will find it there indicated that we imported from the United Kingdom last year, 77,662 pounds.

Mr. BOUCHARD: Will the minister be kind enough to tell me what quarterly report he has, because I have figures for the year ended March, 1932, and I am quoting from page 250.

Mr. RHODES: This is for the months of January, February and March, 1932. I have the figures for the twelve months ended March 31, 1932.

Mr. BOUCHARD: The figures I have given will be found at page 250.

Mr. MACKENZIE (Vancouver): What item?

Mr. BOUCHARD: This item, acid phosphate.

Mr. RHODES: I would refer the hon. member to page 261.

Mr. BOUCHARD: The figures appear at page 250.

Mr. RHODES: We are not on the fertilizer item but acid phosphate.

Mr. BOUCHARD: Yes, and I read, "acid phosphate, not medicinal." In the item at page 250, at the top of the page, the commodity is referred to as superphosphate or acid phosphate. Has the term acid phosphate one meaning in one blue book and another meaning in another? It is indicated as a fertilizer.

Mr. RHODES: I am advised that the figures which my hon. friend cites at page 250 are the importations under 663b, and those would be additional to acid phosphate imported under item 218.

Mr. ILSLEY: Are the British likely to be able to supply us with acid phosphate? This is a very important fertilizer which is widely used in the district from which I come, and as the minister's figures indicate, nearly all of it comes from the United States. I should like to know, and probably the committee would like to know, whether it can be supplied from British sources. Is there any reasonable prospect of that being done?

Mr. RHODES: This is one of the items on which the British delegates laid particular stress. They asked particularly for this item and they propose to supply in quantities. They indicate that they are in a position to do so.

Mr. CAYLEY: How much of this is produced in Canada?

Mr. RHODES: There is only one producer in Canada and as I advised the committee there are no figures available. The Bureau of Statistics does not release figures with respect to industries unless there are three involved, so that we have no figures to give.

Mr. CAYLEY: There is no large amount, then.

Mr. RHODES: Quite a substantial amount.

Mr. CASGRAIN: What is the name of the producer?

Mr. RHODES: I do not know, and I am advised that we cannot get that information from the department.

Mr. McINTOSH: Is there no information with regard to where the industry is located?

Mr. MALCOLM: The minister is incorrect in stating that he cannot get the name of the company. He cannot give the amount but he can give the name of the producer.

Mr. RHODES: I merely pass on the information given me by my officers, and of course my hon. friend realizes that that is the best answer I can give under the circumstances.

Mr. STEWART (Edmonton): This will be one of the prospective industries?

Mr. RHODES: There is no mystery about this—

Mr. CASGRAIN: Not to you but to us.

Mr. RHODES: If the name can be procured I shall be happy to get it. I will endeavour to get it. I can see no objection to giving it.

Mr. YOUNG: The statement appeared in the press not long ago that because of these items in this agreement a certain Canadian industry would start manufacturing fertilizers which would serve as a substitute for fertilizers now being used. We have the right to know whether this was done at the instance of that industry, whether it will be the only one to benefit and whether there were others interested in having this legislation passed.

Mr. RHODES: I can only give my hon. friend the same answer I gave a moment ago —this was not asked for by any Canadian industry. It was one of the items upon which the British delegates laid particular emphasis; they regarded it as being among the important items, so much so that they included it in that group and that is why it is in the agreement.

Item agreed to.

Customs tariff—219. Sulphuric ether and chloroform: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—219c. Non-alcoholic preparations or chemicals, such as are used for disinfecting, dipping or spraying, when in packages not exceeding three pounds each, in weight, the weight of such packages to be included in the weight for duty:: British preferential tariff, 5 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. RHODES: The imports last year under this item were valued at $25,000, of which $16,000 came from the United States and $9,000 from the United Kingdom.

Item agreed to.

Customs tariff—229. Soap, common or laundry, per one hundred pounds: British preferential tariff, 50 cents; intermediate tariff, $1.50; general tariff, $1.50.

Mr. YOUNG: What were the importations under this item, and the Canadian production?

Mr. RHODES: The imports last year were valued at $560,000, of which $552,000 came from the United States and $7,000 from the United Kingdom. The production of soap in Canada was valued at $9,000,000.

Mr. YOUNG: The figures for laundry soap are not given?

Mr. RHODES: I am sorry to say that the figures are not segregated.

Mr. YOUNG: Could the minister tell us the approximate value per pound? I have figured it as being about 15 cents per pound on the importations; is that correct?

Mr. COOTE: While that information is being looked up, could the minister tell us whether any distinction is made between castile, toilet and other varieties of soap?

Mr. RHODES: The hon. member will observe that the next item deals with castile soap.

Mr. COOTE: Mention is made of common or laundry soap and castile soap, but I was wondering if soaps other than castile are covered by a separate item.

Mr. RHODES: I do not know whether or not my hon. friend has a copy of the tariff before him, but it contains three items dealing with soap. Item 228 covers soap powders, powdered soap, mineral soap and soap, n.o.p., which would include all soap except common or laundry soap and castile soap. Then the next two items cover common or laundry soap and castile soap. Those are the three divisions.

[Mr. Rhodes.]

Mr. COOTE: It is only in connection with common and castile soap that any changes are being made?

Mr. RHODES: Yes.

Mr. SANDERSON: I should like to direct a question to the Minister of Trade and Commerce. It has been stated once or twice that no representations were made by manufacturers in connection with certain items. Were any representations made by Canadian manufacturers in connection with these soap items?

Mr. STEVENS: None whatever.

Mr. YOUNG: Heretofore the duty on soap under the general rate was $1 per hundred pounds and under the preferential rate 65 cents per hundred pounds, a difference of 35 cents per hundred pounds in favour of the British manufacturer. Even with that preference the importations from Great Britain were negligible. We are increasing the general rate to $1.50 per hundred pounds, an increase of 50 cents, and decreasing the preferential rate from 65 to 50 cents. However, under the exchange dump something like $3 will be added to the British preferential, which makes that rate twice as much as the general rate which would apply to the United States. Great Britain was unable to compete when she had a preference of 35 cents, and she will have no possible chance of selling anything under this present arrangement. The only person who will benefit will be the Canadian producer of soap. We are told that he produces $9,000,000 worth of soap, and I should like to know how much additional we shall have to pay under this arrangement.

Mr. STEVENS: None whatever.

Mr. YOUNG: The minister argues that under this higher rate we will have to pay no more for our soap, but I contend that this arrangement shuts out the United States and will raise the price in Canada.

An hon. MEMBER: Who said so?

Mr. YOUNG: Hon. members opposite said so when they raised the tariff, and I will give the proof. If our Canadian maufacturers had not been taking advantage of the tariff to increase the prices, no American soap could have been sold because the Canadian manufacturer would have been able to undersell the American. However, he raised the price almost to or to the level permitted by the tariff, and because he did so, the American was able to sell in this market. The Canadian manufacturer has taken advantage of

the tariff and he will do so in the future; he will raise his price by 60 cents per hundred pounds, and the cost to the Canadian consumer will be increased by that much. I should like to know who are the manufacturers of laundry soap in Canada, where the stock of the companies is held, the number of employees and the wages paid.

Mr. STEVENS: I shall not attempt to answer that question because the information is not and could not be expected to be available. We have lowered the tariff, as far as British imports are concerned, from 65 to 50 cents per hundred pounds. The importation of this class of soap is not extensive as compared with the present production in Canada, but it is anticipated that there will be increased importations of British soap. The same thing applies to the next item, which covers castile soap, in which case we have taken off one cent per pound and allowed it to come in free from Great Britain. In both instances it is a lowering of the tariff.

Mr. YOUNG: My hon. friend is not going to give the information for which I asked, but I think I have a little of it. Canadian manufacturers of laundry soap are branches of English firms.

Some hon. MEMBERS: No.

Mr. YOUNG: Where is Sunlight soap manufactured?

An hon. MEMBER: One or two may be.

Mr. YOUNG: They are branches of English firms. This increase in the duty under the general rate is not going to benefit the British manufacturer in his home factory. It is going to affect the profits he makes in his Canadian factory, and that will be done at the expense of the Canadian consumer. The minister says he is not in a position to give us the information asked for in regard to Canadian production, but when we know that our soap is going to cost so much more, we have a right to know how much more will be paid to Canadian workmen in the form of wages. I would ask that the item stand.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Carried.

Mr. YOUNG: Stand.

The CHAIRMAN: Carried.

Customs tariff—230. Castile soap, the weight of the cartons and wrappings to be included in the weight for duty, per pound: British preferential tariff, free; intermediate tariff, two cents; general tariff, two cents.

Item agreed to.



Customs tariff—229. Soap, common or laundry, per one hundred pounds: British preferential tariff, 50 cents; intermediate tariff, $1.50; general tariff, $1.50.

Mr. YOUNG: Is item 229 carried?

The CHAIRMAN: Yes.

Mr. YOUNG: Who carried it?

The CHAIRMAN: The committee did.

Mr. YOUNG: No, they did not.

The CHAIRMAN: I asked: Shall the item carry? and nobody objected, so it is carried.

Mr. MACKENZIE (Vancouver): On a point of order, I think we had better understand this situation clearly, otherwise we shall not make as much progress as we have been making. In regard to the item of common or laundry soap, the hon. member for Weyburn distinctly said that he wished it to stand. While some hon. members said "carried," the question was never properly put to the committee, and if, sir, you insist on forcing this to a vote tonight, we are prepared to have a vote.

The CHAIRMAN: There was no question before the committee. After the hon. member for Weyburn asked that the item stand, I asked: Shall the item carry? and nobody spoke, so I called out "carried."

Mr. MACKENZIE (Vancouver): May I point out that in regard to a previous item the Minister of Finance very courteously stood it over in order to get some further information. I suggest that the Minister of Trade and Commerce might very well do the same in this case. We are quite interested in knowing who the producers of soap are in this dominion.

Mr. STEVENS: There is not the slightest objection on my part or on that of any other member of the government to giving all the information possible, but I submit to my hon. friend and other hon. gentlemen opposite: Is it quite reasonable to expect that a minister could come here with all the information he might be called upon to give?

Mr. MACKENZIE (Vancouver): No. Let the item stand.

Mr. STEVENS: I do not wish to delay the committee, but let me deal with the question asked by the hon. member for Weyburn. He asks: Who are the soap manufacturers in Canada? I suppose we all know pretty well, generally speaking, who they are: Lever Brothers; Proctor and Gamble; the old Royal Crown out on the coast, which firm is now, I think, absorbed by Lever Brothers; Pugsley,

Dingman and Company. Unless I am mistaken some of the packers manufacture soap as well. There is a large number of soap manufacturers, and I submit this to my hon. friend from Weyburn, who has pretty stubborn views on matters of tariff: Does he honestly think it is reasonable to expect us to come here with all such information, including the number of employees? We can get it, but it is practically impossible to carry on the business of the house and bring all such information here. I ask the committee to take my word for this: I assure them that the manufacturers of soap did not come here asking for any increase in the duty on that commodity. Will they accept that as a very definite statement from me? I submit further that in these two items there is a lowering of the tariff to Great Britain. They are items in respect to where we might reasonably expect some increase of business with Great Britain, and the consumers in this country will not suffer a particle because, let me point this out to my hon. friend, the soap business is well diversified. In Canada quite a number of manufacturers are competing one with another, and in addition to that a number of manufacturers of soap in Great Britain who probably have not been exporting to this market may get in under this item with the reduced tariff. There is nothing whatever in the item that is alarming or that will cause any disturbance. In view of the fact that we have certainly done our best on this and other items to give to the committee the fullest possible information, I submit to my hon. friends that they should not press for this unduly.

In regard to the passing of the item, we all know that these items are not submitted formally in the way of reading a resolution and so forth. By courtesy from one side to the other we pass these items in perhaps an informal way. There was, however, no intention on this side to force the item through. I submit that we are trying reasonably to meet, as courteously as we can, the wishes of my hon. friends opposite.

Mr. YOUNG: I have no complaint to make about the courtesy of either of the ministers, but my hon. friend asks whether it is reasonable for us to request the ministry to come down to the house with all this information for which we are asking. I shall answer his question by asking another: Is it reasonable of the government to ask us to pass this legislation, which will affect the price of these commodities to the Canadian people, without our knowing or making some attempt to find out what the effect will be in additional cost to us, and what benefit we shall receive for this protection to Canadian manufacturers? —for it is nothing else. Does he not think it is reasonable for us to have this information, so that when we go back to the country to justify his action, we shall be able to tell the people what benefit we are to get from it?



Mr. STEWART (Edmonton): I have been keeping perfectly still, waiting to hear the explanations for all these increases in the intermediate and general tariffs. There are 138 of them in the whole of this schedule, and it becomes more apparent than ever that this agreement will work detrimentally to the interests of the Canadian consumer. Another thing that is apparent is that wherever a manufacturer's item happens to be in question, it is given some preference, but on the other hand, if it is a consumer's item or one touching any of the basic industries, an increase is provided. I just want to say to my hon. friend and to some hon. gentlemen on the other side who are now objecting so strenuously to this item standing over, that when they come to examine these schedules they will find they are not just what they looked like at first glance. So far as I am concerned, I still oppose this agreement as vigorously as I can. I am waiting for the iron and textile items to voice more strenuous opposition, but may I say, in passing, that it becomes more apparent, when you hear the explanation of the ministry and look carefully into the schedules, what a neat piece of work this was as against the consuming public of Canada. They are the people who are going to pay the piper in both instances, and unfortunately we get from England nothing but what we have always had, and that is entry into their market free.

Mr. COOTE: Can the minister give the committee any reason why there is a reduction in the British preferential tariff on two kinds of soap, that is, common or laundry soap and castile soap, while the great range of toilet soaps, large quantities of which are used in this country, is not changed at all? Is there any reason why there should not be an increase in the British preference on toilet soap?

Mr. RHODES: The best explanation I can give to my hon. friend is that as to the first kind of soap, it was a matter of agreement; these items were satisfactory to our British associates. The other soaps to which my hon. friend refers are in the main a luxury soap and therefore ought to carry a substantial rate of duty.

Mr. CAYLEY: Can the minister give us some assurance that there will be an increased importation from Great Britain because of this additional preference?

Mr. RHODES: That is anticipated.

Item agreed to.

Customs tariff—232. Glue, liquid, powdered or sheet, and gelatine, n.o.p.: British preferential tariff, 17½ per cent and 2 cents per pound; intermediate tariff, 25 per cent and 5 cents per pound; general tariff, 25 per cent and 5 cents per pound.

Mr. MALCOLM: Would the minister give the reason for the increase in the intermediate and general tariffs in the specific rates, and the reason for the reduction in the ad valorem rates?

Mr. RHODES: I do not know that I can give the technical explanation, but this is one of the items that was agreed to by the empire producers all around. It is satisfactory to our own manufacturers and to the British manufacturers.

Mr. MALCOLM: I hope the minister realizes the extent of the duty. A specific duty of five cents a pound is under normal conditions fifty per cent of the value of the commodity.

Mr. RHODES: It is a high duty, I admit. The imports of glue last year were $235,000 in value, of which $123,000 was from the United Kingdom, $55,000 from the United States, $20,000 from Germany, and the balance from a large number of other countries. Our imports of gelatine last year amounted to $335,000, of which $60,000 came from the United Kingdom, $23,000 from the United States, $81,000 from Australia, $24,000 from Belgium, $22,000 from France, and $16,000 from Japan. These two items form part of a total production in Canada which amounted last year to $1,210,000, the major portion of which was glue, but the items are not segregated.

Mr. MALCOLM: I would submit to the minister that he has to consider 232 and 232b together. There is a decrease on vegetable glue in item 232b. The intermediate rate has been reduced from 35 to 25 per cent, and the general from 35 to 27½ per cent, while the British rate has been increased. Will the minister explain why there should be an increase in the British preferential and a reduction in the other two rates?

Mr. RHODES: My hon. friend is inadvertently in error. The British rate was formerly 17½ per cent and it is now 10 per cent, so there is a reduction in the British preference.

Mr. MALCOLM: And the intermediate and general rates are increased?

Mr. RHODES: Yes.

Mr. MALCOLM: I do not want to bother the minister, but can he give the committee the value of our exports of glue stock last year?

Mr. RHODES: Our exportation of glue stock for the year ending March 31, 1932, was $20,927.

Mr. MALCOLM: There has been no increase in our exports for the last two years. They have been decreasing.

Mr. RHODES: Our export of glue stock in 1931 was $28,911.

Mr. MALCOLM: It has been as high as $90,000.

Item agreed to.

Customs tariff—232b. Vegetable glue: British preferential tariff, 10 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—232c. Gelatine, edible: British preferential tariff, 10 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. RHODES: Our imports under this item last year were $113,000, of which $56,000 came from the United Kingdom, $11,000 from the United States, $17,000 from Australia and $15,000 from France.

Item agreed to.

Customs tariff—234. Perfumery, including toilet preparations, non-alcoholic, viz., hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin: British preferential tariff, 20 per cent; intermediate tariff, 40 per cent; general tariff, 40 per cent.

Mr. RHODES: Our imports last year were $873,000, of which $165,000 came from the United Kingdom, the same amount from France, and $533,000 from the United States.

Item agreed to.

Customs tariff—236. Surgical dressings, antiseptic or aseptic, including absorbent cotton, lint, lamb's wool, tow, jute, oakum, woven fabric of cotton weighing not more than seven and one-half pounds per one hundred square yards, whether imported singly or in combination one with another, but not stitched or otherwise manufactured; surgical trusses and suspensory bandages of all kinds; sanitary napkins, spinal braces and abdominal supports: British preferential tariff, 12½ per cent; intermediate tariff, 25 per cent; general tariff, 35 per cent.

Mr. HOWDEN: What was the value of our imports last year?

Mr. RHODES: Our imports last year amounted to $439,000, of which $173,000 came from the United Kingdom, and $263,000 from the United States.

Mr. HOWDEN: Were representations made to the Canadian government by Canadian firms with regard to this item?

Mr. RHODES: No, there were no requests from Canadian manufacturers with respect to this item. It was one of those items upon which the British government laid particular stress, and I am advised that Great Britain is in a position to supply many times the demand in Canada.

Mr. HOWDEN: The reason I ask is this: The cost of this commodity is excessive at all times, and the practice of the government on a number of items such as this has been to remove the duty altogether from the commodity coming from Great Britain, and to leave the intermediate and general rates as they were. I was wondering if that could not have been done in this instance. The action here taken is bound to increase the cost of this commodity to Canadians, and we can very well do with a cheaper article.

Mr. STEVENS: Carried.

Mr. CASGRAIN: Wait a minute.

Mr. RHODES: If my hon. friend asked a question I am afraid I did not hear it.

Mr. HOWDEN: I was wondering if the government could not take the action in connection with this particular item that they have taken concerning others, that is to say, remove the duty on the English article altogether. A few minutes ago the minister said that this was one article in connection with which the British delegation was most definite. It would have been well for the Canadian people, and probably the British delegation would have been pleased, if the duty had been removed altogether. The minister has said no representations were made by Canadian firms, therefore I see nothing to prevent a removal of the British preferential rate.

Mr. RHODES: When I made the statement to which the hon. member refers, I was replying to the hon. member for Weyburn concerning another matter. So far as I know, no representations were made by Canadian manufacturers, but it was felt that, having due regard to Canadian manufacturers, we could do nothing less than preserve the existing preferential rate.

Mr. HOWDEN: If no objections were made by Canadian manufacturers it seems to me that even yet, the matter might well be considered, and the Canadian people given the advantage of a lower rate on this item.

Mr. SPEAKMAN: I find myself very much in accord with the hon. member who has just spoken. A commodity of this kind should be sold as cheaply as possible. In this instance the consumer is the one who is suffering, who is called upon to pay hospital bills, and in my view his interests should come before those of the manufacturer. Where the duty against Great Britain has not been changed, but that against competitors increased, there can be no doubt that some slight increase in price will be the result. I should have been delighted to see the preference given to Great Britain by a reduction of tariffs against Great Britain, the other rates remaining as they were. Medical and surgical supplies, above all other things, even the commodities used by farmers, should be allowed to come in as cheaply as possible. The people who require them are those who have been put to exceptional expense at a time when they cannot earn money, and their needs should come before those of the manufacturers. I am prepared to go so far as to place their interests ahead of those of the farmers. They stand in a class by themselves, and should be protected at all costs.

Mr. RHODES: I believe the hon. members for St. Boniface and Red Deer are labouring under the misapprehension that in this item we are increasing the cost of surgical dressings and hospital supplies. My hon. friends are mistaken in that assumption.

Mr. MACKENZIE (Vancouver): Will the minister give an assurance to that effect?

Mr. CASGRAIN: What is there to show that the prices will not be increased?

Mr. RHODES: The bulk of dressings which come under this item are used for entirely different purposes than in hospitals. Representations have been made to me in connection with other phases of the tariff by deputations representative of medical and hospital interests, but I have had no expressions of disapproval of the action of the government with respect to this item.

Mr. SPEAKMAN: Some of the dressings may have no relation to hospital work, but

spinal braces and articles of that class are required only by those who are really in need of them.

Mr. CAYLEY: While the minister assures us that the cost will not be raised, will he hold out any hope that it may be lowered?

Mr. RHODES: As production increases costs may be lowered. A deputation which appeared before me today pointed out that they had only recently sent a very substantial order to the mother country for surgical dressings, and they were quite satisfied with the prices quoted. Representatives of three of the largest hospitals in Canada called to see me, and that was their reaction.

Mr. JACOBS: Did they come to express their satisfaction?

Mr. RHODES: I shall say that the conference was harmonious in every respect. In so far as this item was concerned there was no disagreement.

Mr. CAYLEY: Do I take it that the price is lower than it was? Is that why they were satisfied?

Mr. RHODES: I regret to say I cannot give that assurance.

Mr. CAYLEY: They would have no reason to be satisfied unless the price had been lowered. The hospitals are having hard times these days.

Mr. HOWDEN: As I understand the situation, the British preference remains the same, and the intermediate and general tariffs have been increased. A short time ago the minister said that in the past the large majority of these imports had come from the United States. If that is so one might expect that the price of these commodities would be raised. The British manufacturers are receiving no advantage because their preference is not being increased. We will do the British manufacturers no good, and the Canadian consumer will get the worst of it. I suggest to the minister that if at all possible the duties on the British commodities be removed altogether.

Mr. BLAIR: Hospitals are charitable institutions in these days, and I am sure many of the hospitals will suffer from the effects of this change. Reports I have received would lead me to that conclusion, and I think some consideration should be given to the matter. Hospitals are experiencing financial difficulties, and the minister must realize that by removing the tariff some help could be given to them. We would do well to allow free entry of these items from Great Britain.

Mr. RHODES: We have received representations respecting other phases of the agreement, but we have received none in objection to this item. To the hon. member for St. Boniface may I say the result will be keen competition between Canadian and British firms for that share of the market which hitherto has been partly supplied by foreign countries.

Mr. COOTE: The minister says that the hospitals had no objection to the changes in this item, but some of the patients will object when they have to bear the costs incurred by the additional tariff. We are making a very bad mistake in increasing the general tariff to 35 per cent on articles such as spinal braces. If these new tariff rates are to stand I think item 236 should be split, so that such items as spinal braces could be taken out of that class on which the general tariff is to be increased from twenty to thirty-five per cent, because many of these will be brought from the United States and will have to pay the thirty-five per cent rate.

Mr. McGIBBON: The hon. member is mistaken; I think all these are made in Canada. There is not a hospital in the country that does not make them for their patients. We do not import them at all.

Mr. COOTE: I think the minister might give the importations.

Mr. RHODES: I gave the figures; I do not know whether my hon. friend heard them. I explained that the larger portion had no reference to the hospital and medical supplies which the hon. gentlemen had in mind when they made their criticism in the first instance.

Item agreed to.

Progress reported.

## NEW GOVERNMENT LOAN

### ANNOUNCEMENT OF COMPLETION OF SUBSCRIPTION

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, before the house adjourns, if I may be permitted I should like to advise the house that although it was contemplated in its inception that the time within which the new government loan could be subscribed would be continued until tomorrow, we have today passed the mark which gives us the complete sum required. This is rather encouraging in the circumstances, because I do not think it is generally recognized that this is the first time in the history of Canada

that a bond has been issued in Canada by the Dominion government bearing a four per cent coupon. Having that in mind I think we have reason to be very grateful that the whole amount has been subscribed by the public.

I should like in this connection formally to recognize the splendid work which was done by the national committee under the chairmanship of Sir Charles Gordon and the vice-chairmanship of Victor Drury, and by the members and associates who have worked so hard to bring about this successful issue.

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

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## Wednesday, November 16, 1932

The house met at three o'clock.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

FEDERAL CHARTERS GRANTED 1931-32

Mr. RINFRET:

1. How many federal charters were granted by the companies branch during the last fiscal year, 1931-32?
2. What was the revenue of the companies branch during the same year?
3. How many charters were granted: (a) in 1928-29; (b) in 1929-30; (c) in 1931-32?
4. What was the revenue of the companies branch during these same years?

Sir GEORGE PERLEY:

1. Letters patent.. .. .. .. .. .. .. 760
   Supplementary letters patent.. .. 197
   Total.. .. .. .. .. .. 957

2. $263,833.

3. (a) Letters patent.. .. .. .. .. 1,202
   Supplementary letters patent. 328
   Total.. .. .. .. .. 1,530

   (b) Letters patent.. .. .. .. .. 1,280
   Supplementary letters patent. 328
   Total.. .. .. .. .. .. 1,608

   (c) Letters patent.. .. .. .. .. 760
   Supplementary letters patent. 197
   Total.. .. .. .. .. 957

4. (a) $711,314; (b) $651,241; (c) $263,833.

[Mr. Rhodes.]

DISMISSALS OF GASPE EMPLOYEES

Mr. GOBEIL:

1. Were there some dismissals of federal government employees for political partisanship in the county of Gaspe, Quebec, from October 1, 1926, to October 1, 1927?
2. If so, on whose recommendation were such dismissals made?

Sir GEORGE PERLEY:

1. Yes, 38.

2. 23 on recommendation of Hon. Rodolphe Lemieux; 15 on recommendation of the hon. the Minister of Marine and Fisheries.

NATIONAL RESOURCES INTELLIGENCE BRANCH

Mr. FAFARD:

1. Are steps now being taken to transfer the natural resources intelligence branch from the Interior department to the Department of Trade and Commerce?
2. If such transfer is to be effected, to what branch of the Department of Trade and Commerce is the transferred branch to be attached?
3. What are the functions of the natural resources intelligence branch?
4. What is the number of persons employed in that branch?
5. Out of the total number of persons employed in that branch, how many have been born in Canada?

Mr. MURPHY:

1. There is no such branch in the Interior department. The work formerly done by the national resources intelligence branch is now part of the work done by the national development bureau.

2. Answered by No. 1.

3. The national development bureau is a bureau of information on Canada's resources, development, and geography and for the promotion of the sound development of Canada's national estate.

4. 71.

5. 52.

CENTRAL GOLD RESERVE

Mr. SPENCER:

What was the amount of money in the central gold reserve on the 31st of October, 1932: (1) in gold; (2) in dominion notes?

Mr. RHODES:

(1) $11,081,733.32; (2) $10,300,000.

### MOTION FOR PAPERS

ALBERTA ELEVATORS—OVERAGES

Mr. E. J. GARLAND (Bow River) moved:

For return showing the overages of each elevator company operating in the province of Alberta during each of the last ten years.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, I spoke to this motion on Monday at which time the hon. member was not in the house. I do not know whether or not he has read my remarks, but I might say that I pointed out that it has not been the practice of my or any other department to disclose the operations of any private concern. In the annual report of the Board of Grain Commissioners most complete statements are given of overages and other matters pertaining to the operation of elevators, but it has not been the practice to disclose what each elevator or each company had on hand. My hon. friend wrote the department some time ago and I think the deputy minister replied in much the same manner in which I am now replying. I would suggest to the house that if my hon. friend is agreeable this resolution be dropped for the time being until it is decided whether or not we should disclose the operations of private companies.

Mr. GARLAND (Bow River): The attitude of the Minister of Trade and Commerce (Mr. Stevens) is quite understandable but I would draw his attention to the fact that a few years ago when the Grain Act was under revision a very full list of the names of companies operating and their overages was published and became part of the record. With all due deference to the minister, I fail to see when a company has a certain quantity of goods on hand at the end of the year why that information should not be considered as a matter of public concern.

Mr. STEVENS: If my hon. friend will drop the resolution for the time being and talk this matter over with me I am sure we can reach an agreement. There is no desire on my part to withhold any proper information.

Motion dropped.

## RADIO COMMISSION

On the orders of the day:

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, I wish to inquire from the Solicitor General (Mr. Dupré) who, at present, is acting for the Minister of Marine (Mr. Duranleau), whether it is a fact that La Patrie of Montreal has obtained a permit to operate a broadcasting station, under the call CKEP?

Hon. MAURICE DUPRE (Acting Minister of Marine) (Translation): Mr. Speaker, in reply I wish to state that, yesterday, I notified my hon. colleague, the ex-Minister of Justice (Mr. Lapointe), that I would make a correction, today, to the statement I made yesterday. My statement was that no broadcasting permit had been issued since the Radio Commission had been appointed. I used the word "appointed." This may have been the cause of some ambiguity, I therefore wish to dispel such ambiguity, if it exists. I should have said: "since the commission had been sworn in." No permit was issued except one—and this is my reply to my hon. friend from Charlevoix-Saguenay—of 100 watts to La Patrie. The permit was issued by myself, as interim Minister of Marine, previously, however, to the commission being sworn in, the latter had no say in the matter.

Hon. ERNEST LAPOINTE (Quebec East) (Translation): Does the hon. minister think it proper to issue permits to new stations when a commission is appointed in order to place radio broadcasting under state control?

Mr. DUPRE (Translation): It is a debatable question. If I assert it is, my hon. friend will maintain the contrary. I, therefore, will allow my reply to stand as I gave it.

Mr. LAPOINTE (Translation): It is absolutely the opposite to what we did last session.

Mr. DUPRE (Translation): We followed the ordinary routine. We equally granted these privileges to La Presse and the Star.

Mr. CASGRAIN (Translation): May I, sir, put another question—with reference to the same subject—to the interim Minister of Marine? Some time ago, we were informed by the press that the Radio Commission was to undertake an inspection tour throughout the country. I trust that the commission will not overlook the electoral division which I have the honour to represent.

Mr. SPEAKER (Text): I would call the hon. member's attention to the fact that this is not a time for debate.

Mr. CASGRAIN (Text): I am putting a question, Mr. Speaker. (Translation): I wish to inquire from the hon. minister as to whether the commission will carry out an inspection tour in my constituency which comprises the following districts: Montmorency, Charlevoix-Saguenay, l'Ile aux Coudres, Ashuanipé, New Quebec, the island of Anticosti and the Canadian Labrador coast. The reason for putting this question—and I leave it to the good common sense of all—is that in these districts which are far remote, there are localities where reception is poor.

Mr. DUPRE (Translation): In reply to my hon. friend, I may say that I have no idea what the plans of the commission are, however, I shall be pleased to communicate to them the request of the hon. member for Charlevoix-Saguenay.

## SOCKEYE SALMON TREATY

On the orders of the day.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to direct a question to the Acting Minister of Fisheries (Mr. Rhodes), in the absence of the Secretary of State for External Affairs (Mr. Bennett), to inquire if the government is now considering the making of representations to the government of the United States with respect to the ratification of the sockeye salmon treaty.

Hon. E. N. RHODES (Acting Minister of Fisheries): Mr. Speaker, I should prefer to take this as a notice of question in order that I may make myself familiar with the recent developments within the department.

## WINTER WORK IN OUR PORTS

On the orders of the day:

Hon. FERNAND RINFRET (St. James) (Translation): Mr. Speaker, I also wish to put a question to the Acting Minister of Marine (Mr. Dupré). As he is aware, the navigation season will soon close; generally, the employees whose services have been required during that season are placed at the disposal of the board of harbour commissioners. I wish to inquire whether it would be possible, this year, to request these various boards, especially those connected with inland harbours, such as Quebec, Three Rivers and Montreal, to employ, as much as possible, on winter work, the men who were at their service during the summer season.

Hon. MAURICE DUPRE (Acting Minister of Marine) (Translation): I can assure my hon. friend that I shall convey to the Minister of Marine, who will be back in a few days, the request he has just made.

## SOLDIER SETTLEMENT

On the orders of the day:

Mr. H. E. SPENCER (Battle River): I should like to address a question to the Minister of Labour. In view of the fact that many soldier settlers are having great difficulty in meeting their payments on account of the very low price of farm products and, that if these are met, they will not have enough to carry on for the new year, I should like to ask the minister whether it is the intention of the government to force these payments.

Hon. W. A. GORDON (Minister of Labour): Since, I believe, November, 1930, after a very thorough investigation of the condition in which soldier settlers in common with many others found themselves, I caused the various superintendents throughout Canada to be circularized by the then board and afterwards by the director, the instructions in substance being that every possible leniency be extended to soldier settlers; that where it appeared that a soldier settler, not through malingering, being able to pay just refused to pay, but through misadventure was unable to make his payments falling due on account of his loan, then in no case should departmental action be taken that would prompt or cause such a settler to leave his homestead. That policy has been consistently followed, is being followed today and will continue to be followed until prices revive and the settlers are in better condition.

## ANGUS SHOPS, MONTREAL

On the orders of the day:

Mr. J. A. MERCIER (Laurier-Outremont): May I ask the Minister of Railways and Canals whether he is aware that any definite steps have been taken prior to today, as to the opening of the Angus Shops in Montreal?

Hon. R. J. MANION (Minister of Railways and Canals): I know of no such steps.

## BRITISH DUTIES ON COPPER

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): I should like to address a question to the government. I notice by press reports this morning that the British government have suspended for the present the duties on copper in connection with the preference. This, no doubt, will lead to further negotiations. I should like to ask the government if it will not be possible in these negotiations to have the word "smelted," which was deleted, reinserted in the new agreement?

Hon. H. H. STEVENS (Minister of Trade and Commerce): My hon. friend is making statements of fact that, so far as my information goes, are not facts. There was no deletion of any words from anything in connection with the arrangements between Great Britain and Canada. As regards my hon. friend's question, he must know that it cannot be answered categorically at this time. The whole question of this and any other matters

that affect Canadian interests will be carefully considered by this government in conjunction with the British government in due course.

Mr. MUNN: My information is from reliable sources that the word was deleted.

Mr. STEVENS: Then I would state most definitely to my hon. friend that it was not deleted.

## COOPERATIVE COMMONWEALTH

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): I should like to ask the government if they have seriously contemplated giving up trying to make this capitalistic system work and have turned their attention to laying a foundation for a cooperative commonwealth?

Mr. MACKENZIE (Vancouver): The cooperative commonwealth has not been cooperating in the last few weeks.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: I was not making a joke. I am glad the house is so humorous. I am asking a question and I expect an answer from the government. If my hon. friend was witty just now, I did not catch what he said.

## PORTSMOUTH PENITENTIARY

On the orders of the day:

Mr. SAMUEL FACTOR (Toronto West Centre): Has the Minister of Justice received the report from the Superintendent of Penitentiaries in connection with the riots in Kingston penitentiary?

Hon. HUGH GUTHRIE (Minister of Justice): The report has not yet come to hand. The investigation is rather a long one, 900 or more prisoners having been asked to make any complaints they have. That part of it is concluded. Now, I believe, the superintendent is examining the officers of the penitentiary and as soon as that is completed, he will make his report.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the government if they will give to members of the opposition the same opportunity as the Minister of Justice has said is being given to prisoners in the penitentiary, to make any complaints they may have to the government?

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: I think my right hon. friend knows he has that opportunity and will have it on the supplementary estimates when they are before the house. In the supplementary estimates there is a vote for penitentiaries. I cannot commend the attitude of my right hon. friend in his question. It is no joke; it is a very serious matter, and the laughter with which his remarks were greeted by the other side of the house, was entirely uncalled for.

Mr. MACKENZIE KING: My remarks were not intended as a joke.

Mr. GUTHRIE: The right hon. gentleman's followers took it as such.

Mr. MACKENZIE KING: It is a very serious matter. We have had no opportunity to voice any complaints on unemployment or anything else.

## UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to address to the Minister of Labour who is always very good in giving any information he can. Since the Minister of Trade and Commerce (Mr. Stevens), has given to the house and the country approximately the number of unemployed according to the census of 1931 and since, by additions thereto, at the present moment we have over 700,000 unemployed in Canada, may I ask the minister if he can give to parliament approximately the total number directly and indirectly on dominion relief at the present moment?

Hon. W. A. GORDON (Minister of Labour): I do not know that I can be so specific as to answer the question as "at the present moment." It would be rather difficult for me to do so. Again, it is rather difficult to define "unemployed." That has given rise to difficulties that confront anyone who tries to make an estimate. But I shall say that the total number, men, women and children, on relief, I think for the last month, is something over 800,000. I may say that that includes 144,000 who, according to governmental figures covering a period of ten years from 1919 to 1929, have been on the average unemployed. It also includes some 140,000, sometimes called transients, and as nearly as the Department of Labour can estimate, somewhere in the neighbourhood of 50 per cent of those—and probably it is more than that—are very new arrivals in Canada.

## SOLDIER SETTLEMENT—MR. F. N. MURPHY

On the orders of the day:

Hon. W. A. GORDON (Minister of Labour): Yesterday the hon. member for North

Battleford (Mr. McIntosh), asked me a question in connection with soldier settlers. This question, which is to be found on page 1147 of Hansard, is as follows:

I have a question to direct to the Minister of Labour. I have in my possession correspondence in connection with a returned soldier by the name of F. N. Murphy, of northern Saskatchewan, who joined the first battalion early in the war and was demobilized in 1919. When he returned he was placed on land purchased by his father. The father never lived on the land, the soldier himself having lived there from the time it was purchased. Since this man has not had any revaluation of that land, no discount, while others who apparently were never in the front line trenches have had a revaluation, will the minister investigate the matter and see that justice is meted out to this returned man, who is trying to make a living on that land in northern Saskatchewan.

I made answer from memory to that question yesterday, but since then I have had an opportunity to inquire into the details of the matter and my answer of yesterday is borne out by the fact. Shortly put, Eugene Murphy, father of F. N. Murphy, the man to whom reference was made, entered into an agreement as a civilian with the then soldier settlement board on September 13, 1921, to purchase the west half of 28—47—6— west of the third meridian. Neither in the application to purchase nor in the agreement for sale nor in any subsequent correspondence between the department and Eugene Murphy was there any intent disclosed that he was merely buying this land for his son.

With respect to revaluation of soldier settlers' lands, I would refer the hon. member to section 68 of the Soldier Settlement Act. At the time the revaluation amendment was passed in 1927, F. N. Murphy was not a settler who had agreed to purchase any land from the board and consequently, although a returned soldier, was not entitled to benefit under that legislation. The father, Eugene Murphy, who had agreed to purchase the property from the board, being a civilian, was not entitled to benefit under the revaluation measure. The legislation with respect to the thirty per cent reduction became effective on May 30, 1930. On the decease of Eugene Murphy, the executor assigned the title and interest of the late Eugene Murphy in the agreement to which I have made reference to F. N. Murphy. F. N. Murphy was at no time qualified or established in accordance with the provisions of the act and regulations, which latter are statutory and define the powers of the department with respect to the establishment of settlers and the manner in which settlers may be qualified with a view to such establishment. It may be observed further that F. N. Murphy is a settler who holds, not an agreement for sale with the department, but an assignment and extension of his late father's agreement and is not eligible under the provisions of the amendment above referred to to participate in the benefits thereunder.



The position is very plain. I was not a member of the House of Commons when the legislation was passed in 1927. I have no complaint to make as to the effect of that legislation, but I am sure that the hon. member for North Battleford (Mr. McIntosh) in making the observations he did yesterday was misinformed as to what the facts were. I believe that he was a member of this chamber when that legislation was passed and must have known that the soldier to whom he referred could not by any stretch of the imagination become entitled to a revaluation under the legislation.

Mr. J. K. BLAIR (North Wellington): While what the minister has said might be correct, I think there are extenuating circumstances.

Mr. SPEAKER: Order. Is the hon. member going to ask a question? There is no motion before the house and there is nothing to debate. If the hon. member has a point of order to state he has the right to state it.

Mr. BLAIR: I think in view of the extenuating circumstances in Mr. Murphy's case some leniency should be shown—

Mr. SPEAKER: Order. I cannot see that any point of order is involved in that.

Mr. McINTOSH: May I say briefly in reply to the Minister of Labour—

Some hon. MEMBERS: No.

Mr. SPEAKER: I have ruled already that there is nothing before the house. If the hon. member wishes to ask a question he is at perfect liberty to do so.

Mr. McINTOSH: Then I shall if this is the only method of approach open to me. May I ask the Minister of Labour a question arising out of his answer regarding the case of F. N. Murphy of northern Saskatchewan? Must I take the answer which he has given me to-day as final, meaning that there is no further redress for this returned soldier on the land?

An hon. MEMBER: You will look after him.

Mr. McINTOSH: Yes, I will look after him and you, too.

Mr. GORDON: I have no hesitation in trying to answer the hon. member's question. Placing it upon the ground that he is now taking, I can assure him that I entertain the same feelings towards the returned soldiers and to the same degree that he does, but as for transgressing the statutes of this country, which I have no authority to do and no intention of doing, I can only repeat what I said before. The answer I gave is final. It is given in pursuance of the statute that was passed in 1927, and undoubtedly, as I observed before, the provisions of that statute came under the keen observation of my hon. friend from North Battleford. He did not anticipate Mr. Murphy's case when the statute was going through, and I do not propose to transgress the statutes of this country on the application of the hon. member.

Mr. McINTOSH: I thought the minister—

Some hon. MEMBERS: Sit down.

Mr. McINTOSH: I have a question to ask.

Mr. GUTHRIE: The hon. member has exhausted his right, Mr. Speaker.

Mr. SPEAKER: The minister has already answered the hon. member, and the entire time of the house cannot be monopolized by any one member.

Mr. McINTOSH: I am not trying to monopolize the time of the house or anything else, Mr. Speaker. Might I ask the minister why he could not specially investigate F. N. Murphy's case under his own government's legislation of "peace, order and good government"? I would like an answer to that. Why?

## BEAUHARNOIS POWER PROJECT

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I should like to ask the Minister of Finance whether since the conclusion of the last session any advances in cash or any further guarantees have been given by the government to the Beauharnois corporation.

Hon. E. N. RHODES (Minister of Finance): Obviously I am speaking without notice of the question, but I may say that there have been no advances other than those indicated by the returns already tabled in the house.

## INQUIRY FOR RETURN

### GOVERNMENT LOANS AND GUARANTEES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Might I ask the Minister of Finance whether certain returns which were to be brought down respecting government loans and guarantees to various institutions will soon be available?

Hon. E. N. RHODES (Minister of Finance): I advised the hon. gentleman yesterday that they would be brought down in the course of a day or so, and I fully anticipate that they will be laid on the table to-morrow.

Mr. WOODSWORTH: Thank you.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

### TIME OF COMING INTO FORCE

On the orders of the day:

Right hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the government if there was any understanding that any portion of the trade agreement between Canada and the United Kingdom should not be put into force, so far as Great Britain was concerned, on the fifteenth of this month, that being the date on which the royal assent in Britain was given to certain of the provisions of the agreement? Our understanding has been that the agreement went into force in its entirety on both sides, but according to today's press it would appear with respect to many items in the tariff and one article that the British government does not propose to take action in accordance with the terms of the agreement at the present time. Has there been any understanding between the government of Canada and the government of Great Britain that there would be that latitude accorded to either side?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I think my right hon. friend will recall that the agreements will go into full force as quickly as the necessary legislation and regulations and other provisions giving effect to the terms of the agreement can be passed by the two parliaments. There are one or two reservations I recall—I have not them under my hand—of a temporary character by the House of Lords which have to be dealt with separately because of certain legislation in Great Britain being affected.

BRITISH DUTIES ON COPPER

On the orders of the day:

Mr. CHARLES B. HOWARD (Sherbrooke): May I ask the Minister of Trade and Commerce whether in view of the action of the House of Lords in connection with the preference and the fact that one of the largest copper producing mines happens to be in his constituency, he will give that matter his personal attention?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I shall be very glad to.

CONSIDERATION IN COMMITTEE OF BILL NO. 8

The house resumed from Tuesday, November 15, consideration in committee of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom—Mr. Bennett.—Mr. Hanson (York-Sunbury) in the chair.

Customs tariff—240. Ultramarine blue, dry or in pulp; whiting or whitening; paris white and gilders' whiting; blanc fixé; satin white: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. SPENCER: We cannot hear what is taking place.

The CHAIRMAN (Mr. Hanson, York-Sunbury): We are on schedule E, item 240. Carried.

Mr. MACKENZIE (Vancouver): The minister is ready with his figures.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I have declared it carried. Nobody appeared to have anything to say.

Mr. MACKENZIE (Vancouver): I do not believe this committee is properly constituted yet. I beg to move that the committee be empowered to revert back to the item just declared carried.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Very well, we shall do that.

Mr. MACKENZIE (Vancouver): In connection with these items I wish the minister to give information in the courteous manner he gave it yesterday.

The CHAIRMAN (Mr. Hanson, York-Sunbury): No member rose in his place when the item was called.

Mr. EULER: Oh well, do not be arbitrary.

Mr. LAPOINTE: Hon. members opposite are too noisy.

[Mr. Stevens.]

The CHAIRMAN (Mr. Hanson, York Sunbury): We are all too noisy.

Mr. RHODES: The imports last year were valued at $205,000. Of that amount $104,000 came from the United Kingdom, and $72,000 from the United States.

Item agreed to.

Customs tariff—241. Litharge, other than for battery purposes: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. MACKENZIE (Vancouver): I should like to have the same information in connection with this item.

Mr. DONNELLY: I cannot understand why this item appears in the schedule.

Mr. RHODES: The imports last year were valued at $136,000. Of that amount $64,000 worth came from the United Kingdom and $72,000 from the United States.

Mr. YOUNG: Was there any home production?

Mr. DONNELLY: If the duty has not been changed, why does it appear in the schedule?

Mr. RHODES: Mr. Chairman, I think at times some confusion occurs, because some items appear in the votes and proceedings of October 12, which do not appear in the schedule to this bill. I believe there are some forty in number, and no doubt my hon. friend is confused.

Mr. YOUNG: Can the minister give us the figures to show Canadian production of this article?

Mr. RHODES: This is part only of a total production in Canada of red lead and litharge which amounted in all to $623,000.

Mr. TOTZKE: Did we export any of this?

Mr. RHODES: The exports under this item are not classified, so I am sorry to say I cannot give that information.

Mr. YOUNG: This item shows an increase in the intermediate and general rates, the British preferential rate remaining as it was before. I presume this was done in the interests of some Canadian industry. What industry was it?

Mr. RHODES: No; this change was not effected at the request of a Canadian industry. It was requested by Great Britain, and was one of the terms to which we agree in the exchange of agreements.

Item agreed to.

Customs tariff—242. Dry red lead and orange mineral; zinc oxides, such as zinc white and lithopone: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item were valued at $1,250,000. Of that amount $257,000 worth came from the United Kingdom; $681,000 worth from the United States, $168,000 worth from the Netherlands and $60,000 from Germany.

Mr. DONNELLY: Is any of this produced in Canada at all? Has it all to be imported?

Mr. RHODES: This is part of the sum total which I gave under the previous item. The total production in Canada last year of red lead and litharge was $623,000. There is no division in the items showing which amount should be credited to each.

Item agreed to.

Customs tariff—245. Ochres, ochrey earths, siennas and umbers: British preferential tariff, 5 per cent; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year were valued at $58,000, of which amount $6,000 worth came from the United Kingdom, $40,000 from the United States and $7,000 from France.

Item agreed to.

Customs tariff—249. Varnishes, lacquers, japans, japan driers, liquid driers, and oil finish, n.o.p., per gallon: British preferential tariff, 20 cents and 15 per cent; intermediate tariff, 20 cents and 25 per cent; general tariff, 20 cents and 30 per cent.

Mr. SANDERSON: I should like to have the figures to show the imports.

Mr. RHODES: Last year the imports were valued at $128,000. Of that amount $22,000 worth came from the United Kingdom, and $103,000 from the United States.

Mr. DONNELLY: Did we export any of this at all?

Mr. RHODES: Last year the exports of varnishes were valued at $19,000.

Item agreed to.

Customs tariff—253. Putty of all kinds: British preferential tariff, 17½ per cent; intermediate tariff, 27½ per cent; general tariff, 27½ per cent.

Mr. RHODES: The imports last year amounted to $19,000, of which $14,000 came from Belgium and $4,000 from the United States.

Mr. YOUNG: In this item I notice the British preferential rate is 17½ per cent, while the intermediate and general rates are 27½ per cent. The importations and rates of duty from the United States and Holland will not be affected by an exchange dumping duty, but importations from the United Kingdom will. The applied rate from the United Kingdom, forgetting about the excise, will be about 36 per cent, as against 27½ per cent from other countries. I ask the minister if he believes Great Britain can compete on that basis?

Mr. RHODES: I hope my hon. friend will not think me in the slightest degree discourteous if I refuse to follow in connection with each item, the argument he produced several times yesterday concerning rates of duty. The best answer I can give is that Great Britain is satisfied with the item as it is, and feels that with this preference she can operate.

Mr. YOUNG: I do not blame the minister for not wanting to follow me in my argument, because that argument applies to practically every item. Practically every item in the British preferential column should have 18½ per cent added to it before it should be compared with the rates from other countries. When that is done it will be revealed that in many cases the new preferential rate is higher than the rate to the outside world. That makes a farce of the whole trade agreement. I do not blame the minister for not wanting to follow me in my argument, but I believe it is the duty of hon. members on this side of the house to place on record in every case what the applied rate will be, so that the world will know the exact meaning of the agreement.

Mr. RHODES: I am perfectly content that my hon. friend should place his interpretation on the application of the duty, and have it on record in Hansard.

Mr. DONNELLY: If I bought $100 worth of this article bringing it from the British Isles, what is the actual duty I would have to pay?

Mr. RHODES: The duty would be 17½ per cent, less 10 per cent for direct shipment. The same precisely as last year and the year before under this act.

Mr. DONNELLY: Plus dumping duty and excise tax. I want to know what duty I would have to pay.

Mr. RHODES: I would have to get the figures in each case from the Department of National Revenue. As my hon. friend knows, the exchange rate varies every two weeks. I could not give it at the moment.

Mr. DONNELLY: I understand it is about $3.73. You ought to be able to figure it out.

An hon. MEMBER: Why don't you figure it out?

Mr. YOUNG: I do not think the minister's explanation has been quite satisfactory. The Minister of National Revenue (Mr. Ryckman) is in his seat, it is his duty to figure that out. If none of the ministers know, the minister's officials are before them, there are no men in Canada better qualified than these officials to tell us what these rates would be.

Mr. RHODES: I hope that my hon. friend is not under the impression that we do not desire to give complete and full information. If my hon. friend from Willow Bunch (Mr. Donnelly) wishes a specific answer with respect to the duty on a pound of putty as of today I will have the computation made and brought down before the committee rises.

Item agreed to.

Customs tariff—254. Gums, viz.: amber, arabic, Australian, copal, damar, elemi, kaurie, mastic, sandarac, Senegal, tragacanth, gedda, and barberry; gum chicle or sappato gum, crude; lac, crude, seed, button, stick and shell; ambergris; pontianac: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The imports last year under this item amounted to $750,000, of which $14,000 came from the United Kingdom, $617,000 from the United States, $81,000 from British Honduras, and $23,000 from New Zealand.

Mr. HOWARD: Does the finance minister realize that most of the items mentioned in No. 254 are the raw material for manufacturers in Canada, and that when he increases those items it means he is increasing the cost of their product and their sales price to the Canadian consumer?

Mr. RHODES: All the gums in this item are available through empire sources of supply; and the London market in gums, if not the greatest, is one of the greatest markets in the world. Therefore I do not subscribe to the statement of my hon. friend that it involves an increase in price. As a matter of fact three of the items embraced in this list can be obtained only within the empire.

[Mr. Donnelly.]

Mr. HOWARD: I was basing my statement on the figures the minister gave. There were practically no imports from the British Empire last year, nearly all were from the United States.

Mr. RHODES: Because they were purchased from United States sources it by no means follows that the articles originated within the United States. The three items I referred to, and they are very important items, are lac, kaurie and copal; there are also perak and damar.

Mr. TOTZKE: The minister might tell us whether this London market was in existence prior to this date. The exports from there might have come in under the old rates. They were free then?

Mr. RHODES: Yes, but there was no preference and for that reason we might very well buy them all, as we have many other commodities, through New York.

Mr. TOTZKE: It would follow that the price would be increased to the consumer in Canada.

Mr. ELLIOTT: In view of the very small amount that came in from empire countries last year and the large amount from the United States, does the minister think that the difference in duty will enable British countries now to ship these articles in?

Mr. STEVENS: This happens to be one item that I discussed with the representatives of the colonial governments and the practical men, the advisers, from the West Indies and other colonies. Some of these gums are produced in the West Indies. The large dealers in New York bring the gums there, and from there they are warehoused and merchandised to Canada. The large market in the United States naturally gives a merchant in New York some advantage over one in Canada, particularly where there is no duty, as in the case prior to this. Under this tariff, as far as the West Indies are concerned, we will trade directly through Canadian channels by Canadian National boats to Canadian ports, without any additional cost to the consumer, because the market is a fairly standardized market. Others of these gums come from India and the African colonies, I have not in mind the details. These are dealt in on two big markets, as far as we are affected, namely New York and London. Heretofore there has been no duty, the result was that the propinquity of the New York market to Canada has given them some advantage; but with this duty the business will in all probability, be diverted to the London market giving the

empire sources the opportunity of merchandising their own products direct to Canada, and it is not expected that there will be one particle of increase of cost to Canadian dealers.

Mr. DUFF: They can still come through the United States in bond from the West Indies.

Mr. STEVENS: No, they could not, and secure the preference.

Mr. DONNELLY: Has the minister any guarantee that there will be no additional cost?

Mr. STEVENS: We have the usual guarantee of trade practice, and what we consider satisfactory assurances in that regard.

Mr. ELLIOTT: If these articles originate within the empire and have been so developed or finished in the United States—

Mr. STEVENS: I did not say that.

Mr. ELLIOTT: Well, the Minister of Finance (Mr. Rhodes) said that or suggested that. If he did not I want to be corrected. I understood him to say that a great many of them came from parts of the empire originally, and were treated—

Mr. STEVENS: No.

Mr. ELLIOTT: —in the United States, and prepared for market.

Mr. MORAND: Warehoused.

Mr. STEVENS: That is a very ordinary term in trade. The hon. member for Antigonish-Guysborough (Mr. Duff) understanding shipping thoroughly, will appreciate this. Warehousing, storage, is what I am talking about.

Mr. ELLIOTT: Was there no treatment further than just handling or warehousing?

Mr. STEVENS: That is all.

Mr. ELLIOTT: A year from now we will know whether there is anything in this or not. I hope both the ministers and the other members of the house will be here at that time and be able to see what the outcome is. But, being free, only a little over $4,000 came in from empire countries last year as against $177,000 from the United States. This 15 per cent duty is not going to have the effect of bringing these goods from empire countries, but it is going to have the effect, I am satisfied, of increasing the price to the Canadian consumer.

Mr. STEVENS: My hon. friend has not got the right figures. Already some of the biggest world dealers, empire dealers, have been in Canada, if they are not still here, making contacts for development of this business in Canada, and it is on a very satisfactory basis.

The total amount imported from empire sources was $118,000.

Item agreed to.

Customs tariff—256. Printing ink: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Mr. RHODES: Imports last year were valued at $272,000 of which $38,000 came from the United Kingdom and $232,000 from the United States.

Mr. EULER: How much was produced in Canada?

Mr. RHODES: About $2,000,000 worth. It is a highly developed industry here.

Mr. YOUNG : Are all varieties of printers' ink produced in Canada, or do some varieties have to be secured from other sources?

Mr. RHODES: There are certain inks we have to import. They will be dealt with in the following item; I think rotogravure inks are the ones in question. I believe all others are manufactured here.

Mr. VENIOT: What is the reason for the reduction in the general tariff from 25 per cent to 20 per cent?

Mr. RHODES: It is the other way about; the general tariff is increased from 20 per cent to 25 per cent.

Mr. YOUNG: Mr. Chairman, under this agreement the rate from Great Britain is 12½ per cent. Add to that the 18½ per cent exchange dumping duty and you get a British rate of 31 per cent, to say nothing of the excise tax. Hitherto ink from the United States has paid a duty of 20 per cent, but when that rate was in effect Great Britain could not compete. I want to know how Great Britain can compete under a 31 per cent duty as against a 25 per cent duty. The net result will be an increase of 5 per cent on inks coming from the United States, with absolutely no chance of importations of the same articles from Great Britain. This is a straight protective tariff.

Mr. RYCKMAN: I really think I must intervene for a moment. The hon. gentleman has repeated his formula over and over again, but that formula is fallacious. He does not see it, but perhaps I may be able to explain

it to him. I sat quietly last night while the hon. gentleman spoke about the dumping duty on cigarettes and how much more must be paid, and said that Great Britain could not break through the barricade because of that dumping duty. There is no dumping duty on cigarettes; there is no dumping duty on anything that pays an excise tax, and I believe my hon. friend, with his experience, must know something about that. Now the hon. gentleman has instanced this last case, and he wants to know how business can be expected with Great Britain exporting under a 31 per cent duty as against a 25 per cent duty to the United States.

A moment ago an hon. gentleman opposite gave the case of a Canadian importer taking $100 with which he desired to buy goods. As every hon. member knows who has considered the question—as I am sure the hon. member for Weyburn has considered it—in the country with the currency depreciated to the greatest extent you can buy the greatest amount of goods for your money. Surely that is plain. So what happens to the importer with his $100? He goes to Great Britain and pays less there and contributes more to the revenue. If he goes to France or to the Netherlands with his $100 he pays more to the man who sells him the goods and contributes less to the revenue. The astute English business men who were over here asked for the chance to do business with us, and with the pound depreciated this will work to their advantage. Surely my hon. friend will not object if the revenue of this country is increased. That is the situation. One hundred dollars is not a constant sum all through the game. You can get more goods for less money in Great Britain and contribute more to the revenue, while in France you get less goods and pay the country a smaller sum. It is very simple.

Mr. YOUNG: Yes, it is very simple. If my hon. friend had been in the house some days ago when we were discussing this question of currency and its effect on prices he would have heard some references to its effect on prices in Great Britain. The depreciation of the British pound has affected the price level in Great Britain by something like two and a fraction per cent. The minister says that because the British pound is depreciated we can buy more goods with our Canadian dollar. That is true in terms of the British pound, but when we go over to Great Britain and buy a commodity we pay for it in British pounds, and the British producer determines his price on a cost basis figures in British pounds.

[Mr. Ryckman.]

Mr. STEVENS: With what do you purchase your British pounds?

Mr. YOUNG: You purchase your British pounds with Canadian dollars, and the world price of commodities is not affected by what any country does with its domestic currency. The world price is fixed by world conditions and is always measured in terms of gold; that is the ultimate measure. Now the minister says we can buy more British goods with our Canadian dollars, and that therefore the British exporter will get more goods into this country. As a matter of fact, taking this particular item covering printer's ink, when you buy a given quantity of printer's ink in Great Britain, that ink is sold in competition with the world. Britain's price must be somewhere in close relationship with prices in other countries, and when you bring those goods to Canadian shores, no matter with what currency you pay for them, you must pay a duty of 12½ per cent plus another duty of 18½ per cent in addition to the excise tax. When you buy the same article in New York you pay a duty of 25 per cent, despite what the minister may say.

Mr. STEVENS: Plus exchange.

Mr. YOUNG: Yes, plus exchange in each case.

Mr. STEVENS: You have ignored the exchange with the United States all through your argument.

Mr. YOUNG: I am glad my hon. friend mentioned that, because when we were discussing this matter of exchange the other day I asked the Prime Minister and the Minister of National Revenue if they had imposed an exchange dumping duty on countries whose currencies were not depreciated. They laughed at the idea, and said they had not.

Mr. STEVENS: Of course we did not.

Mr. YOUNG: The United States dollar is valued at par, and the duty on the article is 25 per cent. With the British pound you add an exchange dumping duty of 18½ per cent, making the British rate 31 per cent as against the United States rate of 25 per cent. The minister cannot get away from that.

Item agreed to.

Customs tariff—256a. Rotogravure ink: British preferential tariff, 12½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—264. Essential oils, n.o.p., including bay oil, otto of limes, and peppermint oil: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

Mr. RHODES: Last year the imports amounted to about $715,000 in value, of which $121,000 came from the United Kingdom, $379,000 from the United States and $122,000 from France. There is practically no production in Canada.

Item agreed to.

Customs tariff—276b. Cotton seed and crude cotton seed oil, when imported by manufacturers of cotton seed meal and refined cotton seed oil, for use exclusively in the manufacture of such commodities, in their own factories: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: Last year the imports were valued at $1,600,000, of which $386,000 came from the United Kingdom and $1,216,000 came from the United States.

Item agreed to.

Customs tariff—277. Palm and palm kernel oil, unbleached or bleached, not edible; shea butter: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: The imports last year under this item were valued at $33,000, of which $2,000 came from the United Kingdom, and $30,000 from the United States.

Item agreed to.

Customs tariff—278. Oils, viz.: Cocoanut, palm and palm kernel, not edible, for manufacturing soap; carbolic or heavy oil; olive oil for manufacturing soap or tobacco, or for canning fish: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: Our imports last year were valued at $1,916,000, of which $130,000 came from the United Kingdom, $1,555,000 from the United States and $117,000 from Ceylon.

Item agreed to.

Customs tariff—284. Earthenware tiles for roofing purposes: British preferential tariff, free; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—287. Tableware of china, porcelain, semi-porcelain, white granite or ironstone: British preferential tariff, free; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. RHODES: The imports last year under this item were valued at $3,050,000, of which $2,336,000 came from the United Kingdom, $34,000 from the United States, $227,000 from Japan, $153,000 from Czechoslovakia, $117,000 from France and $113,000 from Germany.

Mr. YOUNG: This item shows an increase in the intermediate and general rates, the preferential rate remaining free. According to the figures just given by the minister, Great Britain in the past has practically dominated this market. I take it that the importations from France and Germany were of special varieties not produced in Great Britain. Why was it necessary to increase the rates in order to give Great Britain a further preference when she already controlled the market?

Mr. RHODES: If those importations were of special varieties, then they should pay something to the treasury of this country. As a matter of fact, while Great Britain did dominate the market, at the same time we imported commodities to the value of over $700,000 from foreign countries.

Mr. YOUNG: I take it that the minister accepts the doctrine that special varieties of what we might call higher class goods should pay a higher rate than the more common varieties?

Mr. RHODES: Yes.

Item agreed to.

Customs tariff—288. Earthenware and stoneware, brown or coloured and Rockingham ware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. RHODES: The imports last year under this item were valued at $470,000, of which $173,000 came from the United Kingdom, $152,000 from the United States, $50,000 from Germany and $43,000 from Japan.

Mr. DUFF: I notice there is a 25 per cent duty against goods coming from Great Britain; why was not that rate made free the same as the other items?

Mr. RHODES: There is a very large establishment in western Canada and one in Quebec which manufacture these articles. All I can say is that this being part of the agreement it is evidence that the rate agreed upon was satisfactory to the United Kingdom.

Mr. DUFF: It may not be satisfactory to the consumers of Canada that these two plants should have a 25 per cent protection. It will mean that the consumer will have to pay 25 per cent more for this commodity.

Item agreed to.

Customs tariff—289. Baths, bathtubs, basins, closets, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

The imports last year were valued at $336,000, of which $256,000 came from the United Kingdom, and $77,000 from the United States.

Mr. DUFF: What was the Canadian production?

Mr. RHODES: The production in Canada last year of sanitary earthenware was valued at $3,200,000.

Mr. POWER: On the theory that cleanliness is next to godliness, why not make this item free?

Mr. DONNELLY: I notice that the only rate changed is the intermediate and I should like to know why this rate was changed when there were no imports from the countries enjoying that rate.

Mr. RHODES: I do not know that I can give my hon. friend a specific answer as to why this individual item was increased except to say that it widens the degree of preference to Great Britain.

Mr. POWER: It is the same.

Mr. DONNELLY: It is the same to the United States.

Mr. RHODES: The intermediate under the old rate was 30 per cent and it has been increased to 35 per cent.

Mr. DONNELLY: Why was it changed?

Mr. RHODES: Because it widens the margin of preference.

Mr. MACKENZIE KING: Not only in the case of this item but in the case of the previous two items an increase has been made in the intermediate rate while the general rate has been left the same. In each instance the intermediate rate has been raised to the level of the general. Is not the real reason for this change to take away any opportunity which may offer in the way of negotiating trade agreements with other countries that are prepared to give special concessions to us? Do not these items illustrate that this whole tariff has been framed not so much to give preference to Great Britain as to make impossible trade with other countries of the world?

Mr. RHODES: I cannot quarrel with my right hon. friend in his interpretation of the agreement but I assure him that from our point of view the object was to widen the preference and increase the importations from British Empire sources. Of course that will be done only to the extent which we diminish imports from foreign countries.

Mr. MACKENZIE KING: I think these changes have been made to further the objective as stated by the Prime Minister, namely, to shut out the foreigner.

Mr. STEVENS: He never said that.

Mr. YOUNG: He said, "that is the one thing we have done."

Mr. MACKENZIE (Vancouver): It is reported on page 835 of Hansard.

Mr. DONNELLY: I cannot see why the intermediate rate should be changed as no goods have come in under that rate. Goods came in under both the general and British preference and there must be some other reason for this change.

Mr. RHODES: If none came in before then no one will be injured. Great Britain accepted this change as a wider preference and the only preference which could be given under the circumstances.

Mr. MACKENZIE (Vancouver): I should like to quote from page 835 of Hansard as follows:

> Another says that we have closed the doors of the world's markets, that we have shut out the foreigner. Sir Wilfrid Laurier said that that was one of the first things he was going to do if he got the British preference, and that is the one thing we have done.

Mr. YOUNG: The only thing they have done.

Mr. CASGRAIN: Who is right, the Minister of Trade and Commerce or the Prime Minister?

Mr. CAYLEY: The minister has told us that the total production in Canada is valued at $3,200,000 while the value of the total imports amounts to only one-tenth of this amount. As far as I can see the only parties who will be benefited will be the Canadian manufacturers.

Mr. RHODES: There is another point of view which I think is of equal value, that it will make competition all the more keen between the Canadian and British manufacturers.

Mr. CAYLEY: The British manufacturer is not coming into the market; he imported only $256,000 worth.

Item agreed to.

Customs tariff—300. Crucibles of clay, sand or plumbago: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: The importations last year under this item were valued at $61,000, of which $40,000 came from the United Kingdom and $21,000 from the United States.

Mr. MACKENZIE KING: This is another case of shutting out the foreigner. Previously this item was free to all countries but now the intermediate and general rates are 15 per cent.

Mr. RHODES: I doubt if a 15 per cent duty will of necessity shut out the foreigner.

Mr. MACKENZIE KING: It will help.

Mr. RHODES: Admittedly it will help, but it is not by any means a prohibitive duty.

Mr. REID: Are any of those crucibles manufactured in Canada?

Mr. RHODES: If so, they are not listed as such. We have no record of any being manufactured in Canada.

Item agreed to.

Customs tariff—ex 312. Asbestos in any form other than crude, and all manufactures thereof, when made from crude asbestos of empire origin: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. RHODES: The imports last year were as follows:

| | Total | From United Kingdom | From United States |
|---|---|---|---|
| Asbestos packing. . | $ 58,000 | $24,000 | $ 32,000 |
| Asbestos brake lining | 240,000 | 55,000 | 184,000 |
| Asbestos, n.o.p. . . | 257,000 | 22,000 | 224,000 |

Mr. CAYLEY: What are the Canadian productions?

Mr. RHODES: Our total exports last year amounted in value to $3,437,000, the great bulk of which was crude asbestos.

Mr. POWER: What was the production of manufactured asbestos?

Mr. RHODES: We exported manufactures of asbestos to the value of $105,000, of which $60,000 went to the United Kingdom.

Mr. POWER: What was the production of manufactured asbestos?

Mr. RHODES: I shall try to get those figures. I do not have them under my hand at the moment.

Mr. POWER: Has the minister received representations from Canadian asbestos firms to this effect; I have received a letter but I do not have it with me. As I understand the matter, asbestos yarn enters Canada under a 20 per cent duty, but asbestos brake lining, which is made up from yarn, comes in free and competes with a certain Canadian industry. The yarn is the raw material of a certain Canadian industry and pays 20 per cent duty, while the brake lining is a manufactured product and comes in free. Perhaps representations have been made to the government along these lines, because I have seen a letter protesting against the anomaly that seems to exist. I am not asking that the rate on the manufactured article be raised, but I am suggesting that the rate on the raw material be lowered in order to give Canadian manufacturers an opportunity to do business.

Mr. RHODES: The hon. member is correct; as he has pointed out, there is an anomaly in respect to this article, but in connection with these agreements we dealt only with the items as touching these agreements. The question of revision is one which will have to be dealt with at the regular session; that is the only time when we can deal with the anomaly.

Item agreed to.

Customs tariff—318. Common and colourless window glass: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Customs tariff—319. Glass in sheets, and bent plate glass, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Customs tariff—320. Plate glass, not bevelled, in sheets or panes not exceeding seven square feet each, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Customs tariff—321. Plate glass, not bevelled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five square feet each, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Customs tariff—322. Plate glass, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. RHODES: The imports last year under item 318 totalled $650,000, of which $30,000 came from the United Kingdom, $14,000 from the United States, $501,000 from Belgium, $57,000 from Czechoslovakia and $36,000 from Germany.

Under item 319 the imports amounted to $275,000 of which $88,000 came from the United Kingdom, $51,000 from the United States:

$63,000 from Belgium and $45,000 from Czechoslovakia.

Under item 320 our imports amounted to $608,000 of which $124,000 came from the United Kingdom, $488,000 from the United States and $46,000 from other countries.

Under item 321 our imports totalled $173,000 of which $69,000 came from the United Kingdom, $77,000 from the United States and $27,000 from other countries.

Under item 322 our imports totalled $271,000, of which $128,000 came from the United Kingdom, $55,000 from the United States and $73,000 from Belgium.

Mr. POWER: I do not want to be sarcastic, but will the minister tell us whether there were heavy importations of glass somewhere around September or October, 1930?

Mr. RHODES: I will secure the information for my hon. friend. I may assure him I have no information of any special imports at that time. My hon. friend may be quite right in his assumption.

Mr. POWER: I do not know.

Mr. EULER: Are we at liberty to discuss any of these items, particulars of which have been given by the minister?

The ACTING CHAIRMAN (Mr. Hanson, York-Sunbury): I could not refuse the hon member anything.

Mr. RHODES: Perhaps it would facilitate the work of the committee if we discussed them all together, if that is agreeable to the committee. It is rather difficult to deal with them separately.

Mr. EULER: At the moment I desire to discuss just one item, namely, 320, plate glass, not bevelled, in sheets or panes not exceeding seven square feet each. When one looks at the rates that obtained before, namely, British preferential tariff, 7½ per cent and 10 per cent from all other countries, and compares them with the proposed tariff rates, namely, free under the British preferential tariff and 25 per cent from all other countries, because the intermediate and general rates are the same, one would think this is perhaps an outstanding effort to transfer business from foreign countries to Great Britain. I have no particular quarrel with that at the moment, but I should like to give to the committee information that I have received, which points to the conclusion that this change in the tariff is going to have exactly the opposite effect of that desired or intended. One would think from this, since this kind of glass is placed on the free list in Great Britain, the cost to the Canadian consumer should be less if anything, and also that the business should go to the British producer of this kind of plate glass. That would, I think, ordinarily be true, but under the circumstances of which I have knowledge, and perhaps the minister has also, it does not appear to me it is going to work out just in that way. I am told by glass importers in this country, men whose word I have no reason whatever to doubt, that practically all of this kind of glass which comes into Canada, comes from four countries: Great Britain, Belgium, France and the United States, the importations from the United States, according to the figures given by the minister, being by far the greater. The glass manufacturers of those four countries are in a combine, what is usually known as a cartel. It was understood pretty well that the business went largely to the British and Belgian manufacturers and also to those of the United States. This importer of glass states that this is almost surely going to be the result, that the foreign manufacturers are now going to be absolutely shut out, but the United States manufacturer or the Belgian manufacturer, being a member of the same cartel of which the British manufacturer is a member, is not going to yield the advantage which he has under the provisions of that cartel, and the consequence will be that the British manufacturer must yield to them. The final result will be that the British manufacturer, who has a preference under this agreement will increase the price of the glass he sells to Canada. That seems a rather anomalous condition, that while the duty on glass coming from Great Britain is being reduced from 7½ per cent and made free as against a 25 per cent handicap on foreign countries, in order to enable the Belgian and the United States manufacturer to compete in the Canadian market with the British manufacturer, as he has a right to do under their cartel arrangements, the British manufacturer, not because he wants to, but because of his obligations under the cartel, will have to increase the price of glass to the Canadian consumer in order that the foreigner may get his share of the business. That is the way the matter has been put to me. As confirmation of it, I am informed that the British producer of glass was not at all in favour of this arrangement. Perhaps the minister can say with regard to that. It may be that those who made the arrangements had not the fullest information in regard to the situation. Further, here is a most peculiar situ-

ation. The price of this particular kind of glass is 15 per cent less in Canada today than it is in Great Britain, the country of manufacture.

An hon. MEMBER: Are you opposed to that?

Mr. EULER: If my hon. friend has anything to add to the argument or wishes to dispute mine I shall be very glad to listen to him after I am through. The point I want to make is this: The purpose of this arrangement is to transfer business from foreign countries to Great Britain, and, as I have said, I have no particular fault to find with that if it can be done without increasing the price to the Canadian consumer. On the face of it, one would not expect the price to be increased; in fact, it should be decreased because the item now enters free whereas formerly it paid a duty of 7½ per cent. But if it results as those who spoke to me say it will, surely it is an unfortunate condition for the Canadian consumers because at the present time they are able to buy this glass 15 per cent cheaper than it can be bought in the country of manufacture. In fact, the gentleman who communicated with me went so far as to say that those importing glass in Canada will buy just as much as they can at present prices because they believe that under the agreement they will have to pay more before very long.

Mr. RHODES: Only a few days ago I had a conference with the principal distributors of glass who are purchasers in Canada, and will be to a greater extent under this arrangement, in the presence of the representative of the principal British exporter, and I may say to my hon. friend that they were absolutely satisfied with the assurances that were given by the British producers that there would be no increase in price.

I would point out to my hon. friend with respect to the cartel arrangement, if such exists, that it is not all-embracing so far as the industries in Great Britain are concerned, and further, there is one industry of which I have knowledge in Great Britain which was purchased by Canadian interests a short time ago, and which is about to be started on a very active scale, and which has never had any active associations with any former cartel or any cartel now existing.

Mr. EULER: Located in Great Britain?

Mr. RHODES: Yes. My information is that there is ample capacity in the existing plants of Great Britain, apart altogether from the plant to which I have just referred, to make for very keen competition. In view of the fact that the distributors in Canada are satisfied that there will be no increase in price and with the assurance of the representative of the leading British firm who appeared before me, I am satisfied to take their assurances that that condition will not come about. But if they did not live up to their word I think my hon. friend would find that the competition I spoke of would more than take care of the situation. At least, that is my judgment of what would happen. I would greatly regret if the condition of which my hon. friend has spoken did arise, because in that case the results of the arrangement would be unfortunate.

Mr. EULER: I wanted to advance that view as it was communicated to me in the best of faith, I believe. Time will tell.

Mr. YOUNG: I would have thought that profiting by the experience of September, 1930, the government would have been very careful about introducing this legislation. I well remember, on the last Saturday sitting of the short session of 1930, the Prime Minister standing up in his place and telling us that the government were increasing the duty on glass. What for? Because, he said, the consumers of glass in Canada are in the grip of an international cartel, and we are going to encourage the establishment in Canada of a factory that will produce glass for our own use at a reasonable price, free from the tentacles of this cartel, and we have satisfactory assurances, the Prime Minister said, that the price will not be increased to the Canadian consumer. What happened? The ink was hardly dry on that arrangement before the price of glass in Canada doubled.

Mr. STEVENS: Then what happened?

Mr. YOUNG: What I hope will happen again in this case. As I say, the price of glass was doubled, and it was discovered that this firm which was going to open a glass factory in Canada was owned and controlled, body and soul, by that very same cartel. We were raising the duty on glass in Canada to protect ourselves from that very cartel, and actually we were delivering ourselves into its hands. The minister asks: Then what happened? What happened was this: Such an agitation arose in the newspapers and throughout the country when the fallacy of the government's position in saying they could accept those assurances from the manufacturers was seen, that there was nothing for it but to remove the duty.

Mr. STEVENS: Oh no.

Mr. YOUNG: It was shown beyond peradventure that those assurances were not worth the paper they were written on, if they were written. They could not be depended on, and as the price of glass increased, the government removed the duty. We are being told again now that the government have received satisfactory assurances that the price will not be increased in this case, and the minister says that if it is increased the competition of Canadian producers outside the cartel will force prices down. It did not the other time. The minister also says that the distributors of glass in Canada are satisfied. They did not complain the other time because they saw what was coming and they got in their supplies beforehand to take advantage of the increased price. Article 4 of this agreement provides that if at any time Canadian producers cannot supply Great Britain with her requirements at world prices the preferential duties do not apply. Why not such an arrangement for Canada? I ask the minister what provision this government has made to protect the Canadian consumer similar to the provision which the British government has in this agreement to protect the British consumer. Has any such provision been made?

Mr. STEVENS: The answer to my hon. friend is under his nose. This article is free, and we cannot make it any more free. My hon. friend also says that Great Britain has undertaken that if certain things happen the preference will be taken off. We are taking off the duty before we start, because glass is to come in free. While we differ from the hon. member very markedly in the theories he propounds in regard to tariffs and other matters, at least we have always given him credit for being sincere and fair. But is he fair in his criticism of the Prime Minister and the government in connection with the glass episode of two years ago? What happened? Down to a certain point the hon. member set out the facts correctly, but at that point his prejudice prevented him from giving just a little bit of credit to the government for something they did. What happened? The moment it was clear—and it did not take long to make it clear—I will go farther and say the moment there was evidence the company was about to break faith, or did not intend to keep faith, the Prime Minister, who was in London at the time, was cabled by his colleagues in Canada. Immediately a cable was sent back which said, "Take that duty off." That was a very salutary action, because it showed the industries of Canada—and there are many industrialists who are prepared to take advantage of conditions—that as far as this government is concerned they had broken faith with an undertaking, and that the government would not tolerate such action.

Whatever else my hon. friend may charge us with, whatever else he may say concerning our policies, no matter what his condemnations of our actions may be, I suggest that at least he should have the courtesy to extend credit to the Prime Minister and government when they took action promptly, expeditiously and definitely. In connection with these items I fail to understand the attitude of the hon. member. What have we done in this instance? So far as Great Britain is concerned we have taken off the duty in the glass schedule. My colleague the Minister of Finance has stated clearly,—and I am prepared to corroborate everything he has said,—that the glass industry of Great Britain is by no means tied up in a cartel. There is competition, keen competition, and there is no doubt in the minds of the British government, the British delegation or the British glass industry that this is one of the most valuable things we can give Great Britain under the treaty.

Here is an instance where we meet the views of the leader of the opposition. He has complained that we have not eliminated the duty in connection with many items, and has asked why we did not lower the rates. In this instance we have wiped them out. Could we do more? The hon. member for Weyburn has said that this is a farce and that it is of no value. But I ask him this question: Could we do any more than we have done? I think if he will reflect for a moment concerning the action of the government in connection with a Canadian industry which had received protection two years ago, and had failed to carry out its obligations, he will decide that the government acted in a most expeditious manner, and that the removal of the protection offered at that time was in the interests of Canada. He must further agree that in this instance, where we have placed glass on the free list, we have done all he could have asked us to do, no matter what his theories or ideas may be.

Mr. MACKENZIE KING: The minister has asked if they could have done more. Let us look at the three items concerning glass, to which he has just made reference. Examination will show that while there has been a small reduction in order to give Great Britain free entry, there have been considerable increases in both the general and intermediate tariffs. If we examine tariff item 318 dealing with common and colourless window

glass we find that while the government has decreased the British rate by 1½ per cent, it has increased the intermediate rate 2½ per cent.

Mr. STEVENS: No; there is a reduction of 7½ per cent.

Mr. MACKENZIE KING: The figure before me appears to be 1½ but it may be blurred.

Mr. RHODES: The figures on the right hon. gentleman's schedule may be blurred, but he will find the old rate was 7½ per cent.

Mr. MACKENZIE KING: My copy reads 1½ per cent, but there may be a flaw in the printing. I beg the minister's pardon. Then, let us take the next item. We find that there has been an increase in the intermediate rate from 22½ per cent to 25 per cent, making the intermediate and general tariffs the same. That change would prevent any arrangement being made with another country. Then, in connection with "plate glass, not bevelled, in sheets or panes not exceeding seven square feet each, n.o.p." the British preferential rate is changed from 7½ per cent to free, and in both the intermediate and general rates there is a change from 10 per cent to 25 per cent. Clearly that change is made to shut out the foreigners.

In other words a survey of the schedules taken together shows a net result of a very considerable increase in duty on articles needed for purposes of construction and shelter, articles which serve domestic, business and commercial ends.

Mr. RHODES: The right hon. gentleman omitted to indicate that in connection with common and colourless window glass, where the duty was formerly 7½ per cent it is now made free.

Mr. MACKENZIE KING: The minister indicated that before.

Mr. RHODES: Quite so. Concerning glass in sheets, where the duty was formerly 17½ per cent it is wiped out entirely.

Mr. MACKENZIE KING: I mentioned that.

Mr. RHODES: Then, the right hon. gentleman referred to plate glass, not bevelled, and stated that there had been increases in the intermediate and general rates. He did not lay stress on the fact that we had wiped out entirely the former duty which obtained under the British preference.

Mr. MACKENZIE KING: Yes I did.

Mr. RHODES: The right hon. gentleman did not refer to item 321, "plate glass, not bevelled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five feet each, n.o.p." In connection with that item the former rates were: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent and general tariff, 27½ per cent. The new rates are: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent. The committee will note that the British preferential rate is free, that the intermediate rate has not been disturbed and that the general rate has been reduced 2½ per cent.

Mr. VENIOT: In connection with item 318 I should like to point out that while the Minister of Trade and Commerce has complained that hon. members on this side of the house have not been quite fair, in giving reasons why the government have abolished the duty on plain glass he himself was not fair. What are the facts? I believe it was on September 17, 1930, that the item was first dealt with. At that time the tariff on imports of plain glass was changed from 7½ per cent ad valorem to a specific duty of 4½ cents per pound.

Immediately, on September 23, two or three days after the change had been made, importers of glass in Canada sent out circular letters in which they pointed out that on account of this increase in duty a 120 pound box of plain glass which had formerly cost $5.63 would have to be sold wholesale for a little over $11. I remember well that when the change was made I pointed out that it could not be satisfactory. I asked the minister if it would not be possible to leave the item, and to make a provision in it to the effect that when a Canadian firm could supply the demand, the specific duty should apply. The reply from the Prime Minister was that the item could not be so treated. He said they had received an absolute guarantee from a firm in East Hamilton that the increase in duty would not involve an increased price to the consumers. What are the facts? The letter from the firm in east Hamilton did not lay down any such proposition. The letter laid down this proposition: As the cost of production is lowered by the increased production we will give the benefit of the lower cost to the consumer.

An hon. MEMBER: Is that the assurance?

Mr. VENIOT: Now, one minute. It was stated on the floor of this house that within three or four weeks 350 to 400 men would be employed in East Hamilton. Was that

firm given three or four weeks to prepare their manufacturing establishment and go on with the work? No. Look at the record; you will find that between the 9th and 14th of October, an order in council was passed bringing back the duty to an ad valorem basis of 7½ per cent and abolishing the 110 per cent increase. The firm were not given the opportunity, they stated in their communication and in interviews in the press that they were not given the opportunity to proceed along the lines that they had laid down. If when the order in council was passed abolishing the specific duty that firm had been given more time, as they asked, they might have been in a position to go on preparing the manufacturing establishment. But no, they were distinctly told that they would not have the benefit of this increase. The reason for the government withdrawing the increase in duty was that a howl went up throughout the length and breadth of the land when it was seen that before the industry could be established in Canada the importers of common glass were taking advantage of the duty and doubling the price to the consumer. It was not because this firm had broken faith with the government.

Mr. YOUNG: The Minister of Trade and Commerce complains that I was not quite fair, did not give the government the credit due them for the action they took in removing the duty they put on glass in September, 1930. I am going to be generous with the government and give them all the credit they want. I will give them full credit for removing that duty with no other object in mind than the public interest. But then I ask this question: In view of the fact that the people who broke faith then making it necessary for them to remove the duty that they had put on at that time, are the same people who control the glass manufacture of the world today, why do the government put themselves in their hands again? It is true that they have removed the duty from glass coming from Great Britain, but in some cases they have increased it on glass from other countries, and, it being all under the same control, why do they put themselves in the hands of that cartel?

Mr. STEVENS: It is not all controlled by the cartel. That is the reason.

Mr. YOUNG: Why not do the same as the British government did in article 4, say that unless they can supply all that we require, at world prices, this preference does not apply.

Item agreed to.

[Mr. Veniot.]

Customs tariff—319. Glass, in sheets, and bent plate glass, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—320. Plate glass, not bevelled, in sheets or panes not exceeding seven square feet each, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—321. Plate glass, not bevelled, in sheets or panes exceeding seven square feet each, and not exceeding twenty-five square feet each, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—322. Plate glass, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—ex 339. Lead capsules for bottles: British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DONNELLY: Will the minister tell us what the imports were?

Mr. STEVENS: There is no separate information regarding importations. It is a comparatively small item, a new item in the tariff in fact. It came under the general item before.

Item agreed to.

Customs tariff—340. Type for printing, including chases, quoins and slugs, of all kinds: British preferential tariff, 7½ per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. SPEAKMAN: Was there much imported last year?

Mr. STEVENS: We imported $100,000 of which $39,000 came from the United Kingdom, and $58,000 from the United States.

Mr. SPEAKMAN: I see it is altogether by way of reduction in this case.

Item agreed to.

Customs tariff—341. Babbit metal and type metal, in blocks, bars, plates and sheets: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. MACKENZIE KING: Here is an important article. There is no lowering of the duty against Great Britain but there is an increase in the duty both intermediate and general from 15 to 20 per cent. I suppose that is another effort to shut out the foreigner.

Item agreed to.

Customs tariff—348d. Copper in bars or rods, when imported by manufacturers of trolley, telegraph and telephone wires, electric wires and electric cables, for use only in the manufacture of such articles in their own factories: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. MACKENZIE (Vancouver): Was all the importation of this item from the United States last year?

Mr. STEVENS: Yes.

Mr. MACKENZIE KING: There again, both copper and iron bars when imported by manufacturers for use only in manufacture, were free in all cases, both under the British preference, the intermediate and the general tariff. Now they are ten per cent under the intermediate and general. None of this material came from Great Britain, the minister has just told us. It simply means that there is going to be an additional cost for construction, which will be passed on to the consumer, and the foreigner will be more effectively shut out.

Item agreed to.

Customs tariff—349. Brass in bars and rods, in coil or otherwise, not less than six feet in length, and brass in strips, sheets or plates not polished, planished or coated: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. MACKENZIE (Vancouver): Figures please.

Mr. STEVENS: Importations, $142,000, of which $48,000 were from the United Kingdom and $94,000 from the United States.

Item agreed to.

Customs tariff—350. Wire, of all metals and kinds, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. STEVENS: Importations $79,000, of which $13,000 from the United Kingdom, and $64,000 from the United States.

Mr. YOUNG: Those are not the figures I have.

Mr. MACKENZIE (Vancouver): In the last two items, the figures given by the minister are different from those we get from the trade returns.

Mr. STEVENS: It may be a different period. This is for the fiscal year 1932.

Mr. SPEAKMAN: Does this item include all kinds of fencing wire?

Mr. STEVENS: Other than iron or steel.

Mr. YOUNG: I think this item would do as well as any to illustrate what actually happens when we buy goods in Great Britain, in view of the exchange situation. A British manufacturer of wire offers for sale a certain quantity for say £100. A Canadian wishing to buy that wire figures that £100 will amount to $373 Canadian money. Then he gets figures from an American manufacturer on the same material. The American manufacturer will probably say, I will sell it for $330 American money. The nominal value of the pound sterling is $4.86, but the value in American funds is only about $3.30, $330 translated into Canadian money is $373. So whether we buy in one country or the other the cost of the goods is substantially the same to us. Now the Canadian importer will figure this way: If I buy this wire in Great Britain the rate of duty will be 10 per cent plus the exchange dumping duty of 18½ per cent, making 28½ per cent. If I buy in the United States the rate of duty will be 35 per cent, with no exchange dumping duty added. We have a rate of 28 per cent against Great Britain as compared with 35 per cent against the United States. So when my hon. friends say that Great Britain, because of the depreciated value of her pound, will undersell us to such a tremendous extent as to wipe out this exchange dumping duty, it is nonsense.

Mr. STEVENS: Of course my hon. friend has established a premise to suit his conclusions.

Mr. YOUNG: Perhaps you can shatter it.

Mr. MACKENZIE KING: In addition to what the hon. member for Weyburn has said let me point out that the net result of the change is another very considerable increase in the duties. There has been a slight reduction in the British preference, from 15 per cent to 10 per cent, but as against that there have been increases from 17½ per cent to 30 per cent in the intermediate tariff and from 20 per cent to 35 per cent in the general tariff, making the rates almost prohibitive as far as the intermediate and general tariffs are concerned. Here again we have a very considerable increase in the cost of production in this country.

Item agreed to.

Customs tariff—350, 351, 353, 353a, 354, 361, 711: Aluminum and alloys thereof, crude or semi-fabricated, viz., pigs, ingots, blocks, notch bars, slabs, billets and blooms; scrap; bars, rods and wires; angles, channels, beams, tees and other rolled or drawn sections and shapes; pipes and tubes; plates, sheets and strips, in-

cluding circles; leaf or foil, less than ·005 inch in thickness, plain or embossed, with or without backing; wire and cable, twisted or stranded, reinforced with steel or not; aluminum powder: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. STEVENS: Here we have several items combined into one. The total imports amounted to $1,590,000, of which $417,000 came from the United Kingdom, $1,056,000 from the United States and $117,000 from other countries.

Mr. DONNELLY: Are these figures for all the items?

Mr. STEVENS: Yes. These are a number of items virtually all the same consolidated into the one item now known as 353.

Mr. MACKENZIE KING: Nearly all those items refer to material used for construction purposes, and there has been a very considerable increase both in the intermediate and general tariffs, thereby increasing the cost of production.

Item agreed to.

Customs tariff—352. Coin locks of which solid brass or bronze are the components of chief value, plain, polished or plated: British preferential tariff, 15 per cent; intermediate tariff, 35 per cent; general tariff, 40 per cent.

Mr. ELLIOTT: May I ask where these come from at the present time?

Mr. RHODES: This is a new item, and we have no trade figures available that would enable me to answer the question of my hon. friend. I may say, however, that in Great Britain they are specializing in the manufacture of this type of lock, and they particularly requested this item.

Mr. CAYLEY: Would the minister tell us what a coin lock is?

Mr. RHODES: It is a lock with which my hon. friend no doubt has come in contact in various public places, in which a nickel is dropped in a slot for the purpose of opening a door.

Item agreed to.

Customs tariff—354. Manufactures of aluminum, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. YOUNG: Could we have the figures on this item, please?

Mr. RHODES: Last year the imports under this item amounted to $1,000,000, of which $61,000 came from the United Kingdom, $913,000 from the United States and $29,000 from other countries.

[Mr. Mackenzie King.]

Mr. YOUNG: Is there any Canadian production?

Mr. RHODES: It is almost impossible to segregate the items to indicate the Canadian production under this particular item. The total production of aluminum of all kinds in Canada was valued at $4,500,000.

Mr. ELLIOTT: In this case the preference is given by an increase in the intermediate and general tariffs instead of by reducing the duty under the British preference, as was done in some other cases. I wonder if the minister could tell why that plan was adopted in regard to this particular item? This is a very substantial increase in connection with a commodity that comes very largely from countries other than those within the United Kingdom.

Mr. RHODES: I can only give my hon. friend the answer that it was part of the general agreement and apparently was satisfactory to our associates from Great Britain.

Mr. DONNELLY: Can the minister tell us how much aluminum kitchen ware is manufactured in Canada?

Mr. RHODES: That is the next item.

Mr. MACKENZIE KING: This item 354 also serves to illustrate wherein what we have before us is not so much intended to increase the British preference as to increase the general tariff and shut out the foreigner. Under the general tariff the old rate was 25 per cent; now it has been increased to 30 per cent. Under the intermediate tariff the old rate was 22½ per cent; now it is 30 per cent also. The intermediate and general tariffs have been made the same, evidently with the intention of making it more difficult for any agreement to be reached with any foreign country which would help trade between our country and other countries of the world, and help the consumer in Canada.

Mr. YOUNG: Hon. gentlemen opposite have complained that I have harped too much on the exchange dumping duties, and they have suggested that they would like a change of argument. I find that in computing the duty on goods coming from Great Britain I have been overlooking one factor, that is, that the duty levied will be based on the par value of the pound. Let us see how this will work out in connection with item 354a. Let us take the case of a man who purchases in Great Britain aluminum worth one hundred pounds sterling, which in Canadian money is $373. In this case the duty is 20 per cent, but that duty is levied on the pound at $4.86, or on the value of this purchase at $486. The actual amount

paid is $373, so the duty figures out to something like 26 per cent on the actual value of the goods, as against a 30 per cent duty against the foreigner. That does not take into account the exchange dumping duty, either. Perhaps the Minister of National Revenue can explain that away.

Mr. RYCKMAN: I have already explained it, and I am sorry my hon. friend cannot understand. The Canadian importer will come home with more goods, if he buys in Great Britain, than he will obtain in another country. That is the answer, and in addition the revenue of the country is increased.

Mr. YOUNG: That might be an answer if it were correct, but it is not correct.

Item agreed to.

Customs tariff—354a. Kitchen or household hollow ware of aluminum, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. RHODES: The imports last year under this item were valued at $153,000, of which $7,000 came from the United Kingdom and $133,000 from the United States.

Mr. SPEAKMAN: What was the Canadian production ?

Mr. RHODES: Last year the Canadian production was valued at $1,499,000.

Mr. SPEAKMAN: This is an article of increasing importance in the household economy of the average housewife of Canada, and I should imagine that the net result of the change will be an increased production for the Canadian manufacturer rather than a diversion of trade to Great Britain. This is another case where the preference has been created by increasing the tariff against foreigners. Considering the total imports in comparison to the Canadian production, and the fractional percentage of those imports which come from Great Britain, it seems to me that in all likelihood the net result will be an increase in cost to the housewife. I must confess that this sort of preference does not appeal to me as being at all sound.

Mr. RHODES: I doubt if there is any possibility of an increase in cost to the housewife, because I am informed that the capacity in Canada is sufficient to supply five times the requirements for this class of goods.

Mr. DONNELLY: I did not hear the value of the Canadian production, and I should like to know also if the minister has received a guarantee from the Canadian manufacturers that they will not increase the price because of this change?

Mr. RHODES: The production last year was valued at $1,499,000. So far as this agreement is concerned, we have received no guarantee from the manufacturers; in fact, they were not consulted in this respect.

Mr. DONNELLY: No guarantee has been received from the Canadian aluminum manufacturers?

Mr. RHODES: So far as I am aware the first knowledge they had of this change was when the items were published in the newspapers.

Mr. POULIOT: This item reminds me of Russia. A large quantity of oil was imported from Russia in order to provide production for the manufacturers of aluminum. There seems to be a mystery in connection with this oil business. Sometimes we find a snake in a barrel of molasses, but nobody seems to know what is in these cargoes of oil which are arriving from Russia. I am wondering if this preference will not have the effect of destroying the good results which it is expected will be obtained by the importation of oil from Russia. I should like to know also if the aluminum company has agreed to this preference.

Mr. RHODES: I cannot enter into a discussion with my hon. friend with respect to the oil phase of his argument, but apparently the Canadian manufacturers of aluminum are in a position to supply this article at a price attractive enough, based in terms of oil, to our Russian friends to cause them to want to do business with the Canadian interests. I cannot see how this tariff will affect any opportunities which the aluminum company might have, to do the same thing in the future; it will have no bearing upon the cost of their commodity so far as exports are concerned.

Mr. POULIOT: I am just coming to the point of my argument. The aluminum manufacturers have traded with Russia, receiving oil in return for aluminum. If we get aluminum from Great Britain, what will we receive as compensation? What will the British manufacturers of aluminum give us in return for this preference?

Mr. CAYLEY: A few moments ago the Minister of National Revenue (Mr. Ryckman) answering the hon. member for Weyburn (Mr. Young) made the statement that the dump duties in connection with exchange made no difference which he could see. This statement recalled to my mind an item which appeared

in the Ottawa Journal of last evening. It is a despatch from Manchester, England, and reads:

The Manchester Chamber of Commerce is joining other cotton trade organizations in making representations to the Canadian tariff board concerning the Ottawa agreements and their resultant tariffs on the cotton trade.

The Manchester chamber believes reductions in the Canadian tariff already announced are unlikely to enable British cotton, artificial silk and textile exporters appreciably to increase their trade. The chamber emphasizes the importance of the earliest possible removal of the exchange rates, dumping duty and other additional taxes and to replace them all by one single straightforward tariff for each class of goods.

Mr. DONNELLY: This is another item in respect to which the British preferential and general tariff rates have not been changed, the only change being in the intermediate rate, under which there are no importations. The minister has stated that this change has been made without consulting the aluminum people, so the government must have had some other reason for taking this action. I should like to know the real reason for making this change. Was it done just to have a change, or why? No importations are coming in from the intermediate countries; they all come in under the British preferential and general tariffs. A change has been made in the intermediate rate and I should like to know what effect it will have on the trade.

Mr. RHODES: The hon. member will note that the increase in the intermediate rate is two and a half per cent. Inasmuch as we have placed a duty of 30 per cent upon the raw material, we could not properly place a lower duty upon the finished article, otherwise a premium would be placed upon the importation of manufactured goods.

Mr. YOUNG: I presume the raw material is made up of aluminum in sheets, and I cannot understand why it is necessary to place a duty against that commodity. My information is that Canada is the cheapest place in the world in which to manufacture aluminum due to the fact that we have such immense water power close to tide water. Why should such an industry have a protective tariff?

Mr. RHODES: It is in conformity with the agreement arrived at to have aluminum free within the empire.

Mr. YOUNG: I do not understand.

Mr. SPEAKMAN: It was suggested a short time ago by one of my hon. friends to my immediate right that I had voted in favour of all of these items and therefore I was heartily in agreement with them. It is quite true, owing to the way in which they have been brought down as part of an agreement, I have voted for all these items, just as my hon. friends have voted against every item which gave an advantage to us in the British market.

Mr. YOUNG: Name the items.

Mr. SPEAKMAN: Just as they have voted against any preference, any advantage we might have in the British market. Owing to the fact that each had to defend an opposite viewpoint of one agreement, it is impossible to support one item without supporting all, or to oppose one without opposing all. Were these schedules brught down as part of a Canadian budget, if they had no further implications and were to be considered wholly upon their merits, my attitude toward them might have been different. In view of what has been done, I am in exactly the same position as are my hon. friends; I have supported some things I do not like for the sake of things which I consider offer some value. I believe we get more than we lose. There are things which, I am sure, my hon. friends, in their hearts, would like to support, but they feel they cannot swallow others. Placing one against the other, and taking all we receive and all we pay, I believe we have an advantage, and for that reason I support the agreement. That, however, does not debar me from expressing any criticism I feel like offering with respect to the part of it with which I do not agree.

Mr. POULIOT: In the columns of to-day's Ottawa Journal, I read this heading:

To aid return of prosperity across Europe.
Great Britain, France and Germany form economic alliance.

This is very serious. The item we are considering is a small one but I wonder whether the commodity that will be manufactured under this preference will be made in Germany. This is a point I brought up yesterday. It is of the utmost importance, on account of the fact, as was stated, that the re-exports of the United Kingdom amounted in 1931 to £64,000,000. Those were goods imported into Great Britain and re-exported from that country. I wonder if the government has any assurance that the goods under this item that will enjoy the British preference will be manufactured in Great Britain.

Mr. RHODES: The hon. member will bear in mind that the provision with respect to empire content would provide that the aluminum in question would come from Great Britain rather than from Germany.

Mr. POULIOT: Nevertheless, the excerpt which I have read shows the ingress that Great Britain has to foreign trade.

Mr. RHODES: My hon. friend will realize that there is a large variety of items with respect to which an agreement of that character could be arranged just as there is under the Canadian tariff a large variety of items with which we could deal similarly.

Mr. POULIOT: I point this out as a matter of general principle only.

Mr. YOUNG: On several occasions during the present debate I have endeavoured as best I could to figure out what the actual applied rate would be on goods coming from Great Britain. The ministers have not seen fit to accept my figures; they have said that they could not work the matter out in this way. I should like to ask the minister on this item, 354a, kitchen or household hollow ware of aluminum, n.o.p., 20 per cent under the preferential tariff, to figure out for us, or have his officials do so,—I am sure they can —exactly what the applied rate will be on $100 worth of aluminum coming in under that item, including the exchange dumping duty.

Mr. RHODES: I shall endeavour to get that information for my hon. friend, as I have already agreed to do with the hon. member for Willow Bunch with respect to putty.

Mr. STEWART (Edmonton): I think my hon. friend from the west is unduly alarmed about this matter. The object is to keep aluminum out and let the Canadian manufacturer get all the advantage of the 30 per cent. It is protection to the extent of 30 per cent on a household article, and it is done for the purpose of giving the Canadian manufacturer the whole of the Canadian market. My hon. friends may not have intended to do that, but it is useless to say they are going to give the British any advantage in the Canadian market with a 20 per cent duty under the British preference. The whole of this market will go to the Canadian manufacturer, and the Canadian consumer will pay the price. That is the situation as I see it.

Mr. MACKENZIE KING: Can the minister tell us what the duty was on kitchen or household hollow ware of aluminum at the time the present administration came into office, and also on the following item, nickel?

Mr. RHODES: The rate of duty is the same as it was under the Dunning budget.

Mr. YOUNG: Was that an answer to my question?

Mr. RHODES: No, to that of the leader of the opposition. Did my hon. friend wish the computation now? I am sorry to say I cannot make it now.

Mr. YOUNG: The minister's officials can make it.

Mr. RHODES: My officials assure me it would take considerable time to do it.

Mr. YOUNG: Then let the item stand until we get it.

Mr. RHODES: I shall undertake to give it to my hon. friend before we move the agreement out of committee.

Item agreed to.

Customs tariff—355, 356. Nickel in ingots or blocks, n.o.p.; nickel bars and rods, not including bars or rods depolarized or otherwise processed for use as anodes; and nickel in strips, sheets or plates: British preferential tariff, free.

Mr. RHODES: This is a new item. It is merely for the purpose of guaranteeing free trade in nickel within the empire. Our imports last year amounted to $221,000.

Mr. STEWART (Edmonton): Whence did that nickel come?

Mr. RHODES: From the United Kingdom, $37,000; from the United States, $183,000, and $1,000 from other countries.

Item agreed to.

Customs tariff—361. Gold and silver leaf; Dutch or schlag metal leaf; brocade and bronze powders: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. RHODES: The imports last year were $96,000, of which $27,000 came from the United Kingdom, $39,000 from the United States and $30,000 from Germany.

Item agreed to.

Customs tariff—370. Rollers, copper, adapted for use in calico printing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: The imports last year amounted to $88,000, of which $51,000 came from the United Kingdom and $37,000 from the United States.

Mr. MACKENZIE KING: Under the British preferential, intermediate and general tariffs, this article came in free before. Both the intermediate and general tariffs have now been increased.

Mr. RHODES: My right hon. friend is quite correct.

Item agreed to.

Customs tariff—377c. Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, of a class or kind not made in Canada, when imported by manufacturers of forgings for use exclusively in the manufacture of forgings, in their own factories, under regulations prescribed by the minister, per ton: British preferential tariff, free; intermediate tariff, $3; general tariff, $3.

Mr. RHODES: Our imports last year amounted to $24,000, of which $3,000 came from the United Kingdom and $21,000 from the United States.

Mr. MACKENZIE KING: I notice that the intermediate tariff has been raised from $2.25 to $3, and the general tariff from $2.50 to $3 per ton, making the general tariff almost prohibitive, I should say.

Mr. RYCKMAN: It should help trade with Great Britain.

Mr. MACKENZIE KING: The Minister of National Revenue says that this ought to help trade with Great Britain. May I say that I believe every hon. member on this side of the house is desirous of trading with Great Britain to as large an extent as possible so long as we can get for our money goods of equal value in quantity and quality. But on what grounds can the Minister of National Revenue justify any government taking away from the people the right to purchase where they please with what is the fruit of their labour, whether it be manual or intellectual labour? Surely one thing a man possesses with which he has a right to do as he pleases is the fruit of his own effort, whether put forth by hand or brain. What right has any government to say that he shall not be free to get the real value, not the nominal value merely of his labour, wherever he pleases? A man is paid wages for his labour or receives a salary for intellectual and other services; that is the nominal reward, the real reward is what that money will buy. When the Minister of National Revenue says that we must buy from Britain even if we have to pay a higher price for the commodities or accept commodities of a poorer quality, it seems to me that he is asserting on behalf of the government a power which no government has the right to exercise over the people, and which cannot be defended. I should like to hear the minister's defence of taking away from the people in this manner a part of their income; for that is what he is doing. It is an arbitrary method of taking from wage and salary earners a portion of their incomes as expressed in the real commodities which they can buy with the fruits of their labour.

[Mr. Rhodes.]

Mr. RYCKMAN: If I may answer in a few words the question of the leader of the opposition, when he was leader of the government in no case where a tariff was imposed by his administration did the workmen of whom he speaks not have to pay, because the goods came in under a duty. There is nothing new about that. I did not say to the right hon. gentleman that we "must" buy from Britain, but the object of this tariff, of the items which have been considered and are afterwards to be considered, was, without wrecking any established interests, to influence trade to travel between the different countries of the empire. I think that that object has been well accomplished in what has been done. All these tariff items were not fixed by us. There were two parties to the agreement, and the other party had to be considered. They knew what they wanted, and some of the items here represent what they wanted. The charge is made in England that we got the advantage, and the charge has been made in Canada, and in this house, that they got the advantage. But it is idle to say that we are interfering with the rights of the workingman or with the privileges of the people of Canada because under this item the duty is being raised fifty cents a ton in the one case and seventy-five cents in the other. To make that contention seems almost foolish, if I may use the word. This is the point that should be considered. These items are not ours unless we agreed to them. It may be that we should not have agreed to some of them if they had not been asked for, but we acceded to them because we felt that we also were getting advantages in the agreement. The agreement, I submit, is altogether consonant with the rights of every citizen of Canada, but the trouble with my right hon. friend and those whom he leads is that they want to buy from foreign countries whenever they possibly can instead of trading, as I submit should be done, in the interests of the empire.

Mr. MACKENZIE KING: My hon. friend is quite wrong in his last statement. But referring first of all to the comparison he made between these tariffs and the tariffs under the previous administration, may I point out that under the previous Liberal administration the tariff in Canada was lowered time and time again to afford more in the way of freedom of opportunity to purchase commodities wherever the individuals in this country might wish to purchase them, and to provide more in the way of freedom of trade. Under the present government the tariff has been in-

creased time and time again until it has now reached prohibitive heights. It has made trade altogether impossible, and according to the Prime Minister apparently that has been done deliberately with a view of preventing trade with other countries.

The Minister of National Revenue knows he is quite wrong when he says that we on this side of the house prefer to trade with foreign countries rather than with Britain. Let me tell him that the opposite is the case. We prefer to trade with Britain, other things being equal, but we do not propose to be told that we must trade with Britain no matter how adverse an influence that trade may have on our incomes. When you reach a point in the imposition of tariffs that you no longer receive revenue from them, when the tariff becomes prohibitive to that extent, its effect is simply to prevent trading, and it becomes an income tax in another form. It means that the individual—and the smaller his income the more he will feel the tax—is no longer able to purchase with his income the same number of commodities or get the same satisfaction of his wants which he otherwise would be able to get. It simply becomes a means of increasing the cost of living all around.

Mr. MALCOLM: I would point out to the Minister of National Revenue that those of us on this side deeply resent the statement which he has made. So far as diverting trade is concerned, his own department is diverting trade right against the wishes and the desires of the government. Why is it that Japanese raw silk, which is sold at exactly the same price in New York and Yokohama, can be imported from the United States for less money than it can be imported from Yokohama? The excise tax on 100,000 yen worth of silk from Yokohama is $1,495 on the par rate of exchange of 49.85. The same shipment coming from the United States will pay an excise tax, on the current rate of exchange, 25½ cents, of $765, and the importer makes $730 by importing it from New York rather than from Yokohama. The minister knows this, and knows perfectly well also that our transportation companies lose the haulage by water from Yokohama to Vancouver, and the haulage by rail from Vancouver to Toronto and Hamilton, Sherbrooke, Galt and other places. The trade is of course credited to the United States when it is really of Japanese origin. We wish to sell wheat to Japan, and my hon. friend by his departmental ruling on exchange is diverting trade to the United States from a friendly country. Our whole policy in the Dunning budget was to divert trade to countries willing to trade with us, and it ill behooves the minister to state that hon. members on this side of the house were trying to divert trade to foreign countries.

Mr. RYCKMAN: It has been obvious to one who has had to do with the imports of Canada that there was a scurrying around to find out where, in these distressed times, goods could be obtained not at their proper value but below their value. There was an effort to bring such goods into Canada to compete with manufacturers in this country who are trying to make a living for themselves and their workmen. That is a well known fact.

Mr. MALCOLM: Was there any firm producing raw silk in Canada?

Mr. RYCKMAN: I am not talking about raw silk. Probably my hon. friend understands Japanese trade; I do not know any of the details concerning the Japanese case he has mentioned. I do know, however, that the people of this country have recognized that the party led by the right hon. gentleman opposite—

Mr. MALCOLM: That has nothing to do with the subject.

Mr. RYCKMAN: —were glad to trade out of Canada and out of the empire, when they could. A few cents difference in price would very soon interfere with the business being done in the interests of Canada. I state that positively, and I will take it back on no occasion, because it is a fact. What we are seeking now is trade within the empire.

Mr. MALCOLM: All right.

Mr. RYCKMAN: To say that we want to keep out the foreigner is distorting the matter. The fact is that we want to trade within the empire and also to trade with the foreigner. But, if there comes a time when we have to choose, I tell my hon. friends opposite that I am for trading within the empire, and I think the majority of people in Canada hold a similar view. I believe we can help ourselves and our fellows. That has been the purpose before the government, and that was in the minds of the delegates from all parts of the empire who were parties to these trade agreements.

Mr. POULIOT: The Prime Minister has made trade impossible, and now he is trying to correct his mistake.

Mr. STEWART (Edmonton): If the minister is so anxious to trade with Great Britain,

certainly his actions belie his words. Ever since this government has been in office it has increased duties against Great Britain on commodities Great Britain could sell to us. He forgets or ignores entirely the fact that when the Liberal party was in office it was aiming at a fifty per cent preference for Great Britain. That is something the minister failed to mention. The government opposite destroyed that objective the minute they were permitted to take office destroyed it completely—and now they have the audacity to stand up in the committee and state that the Liberal party wanted only to trade with foreign countries. Hon. gentlemen opposite are responsible for placing obstacles in the way of trade with Great Britain, and today the Canadian people are suffering in consequence of that very action. That is the position in which they have placed Canada, and it is to that attitude on the part of the government, reflected so definitely in these schedules, that we are objecting.

Mr. RHODES: This discussion originated out of a complaint on the part of the leader of the opposition to the effect that we had increased the duty under the general tariff by fifty cents and under the intermediate by seventy-five cents in connection with the item dealing with ingots, forgings, and so on. Let me point out to him and to the hon. member for West Edmonton, who has spoken with unusual warmth, even for him, that they are beside the mark in their statement of facts.

Mr. STEWART (Edmonton): Not much.

Mr. RHODES: When the statement is made that under the Liberal regime the then government was aiming at a fifty per cent preference for Great Britain, hon. members on this side of the house are forced to the conclusion that the Liberal party must have been very bad marksmen. I have in my hand the celebrated Dunning budget, in connection with which, although it is not generally realized, there were very substantial increases in duties not only under the intermediate and general tariffs, but against Great Britain herself. Those increases were made on important items, imports which under normal conditions would involve large sums of money.

The leader of the opposition has complained, on behalf of the poor workingman, that there has been an increase of fifty cents in the general and seventy-five cents in the intermediate rates in the item I have mentioned. Let me point out to him that under item 377a of the Dunning budget respecting "blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p." the duty against Great Britain was increased from $1.50 to $2.50 per ton. Under the intermediate tariff the increase was from $2.25 to $4 per ton, and under the general tariff there was an increase from $2.50 to $4.50. I ask the right hon. gentleman and those associated with him how he would characterize an increase of that kind, when today he complains that we have increased the intermediate and general rates by seventy-five cents and fifty cents respectively—not by $1.75 and $2, as was the case under the Dunning budget.

Then, let us turn to item 377 of the Dunning budget, "ingots of iron or steel n.o.p. per ton" and we find that the duty of $1.50 against Great Britain was not changed. But, if you please, they increased the intermediate tariff from $2.25 to $2.50, and the general tariff from $2.50 to $3. There was an increase in that item similar to the one of which he now complains.

Mr. MACKENZIE KING: What was done with the British preference?

Mr. RHODES: Let us now deal with subdivision (d) of item 379 in the Dunning budget. This part of the item deals with "rods, in the coil, not over .375 inch in diameter, when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories." Under subsection (d) the old intermediate rate was $3.50 per ton, and the rate under the Dunning budget was $4.50. The old rate under the general tariff was $3.50 and under the Dunning tariff it was raised to $5.

Mr. MACKENZIE KING: The minister is not telling about the British preferential rate.

Mr. RHODES: The British preferential rate remained the same in connection with the last two items I have mentioned. I am calling attention to the fact, however, that at that time the Liberal party was increasing the duty under the intermediate and general tariff precisely as we are doing today under the item now before us.

Mr. MACKENZIE KING: One or two items is very different from one hundred and fifty items.

Mr. RHODES: But I have referred to items in the Dunning budget almost identical with the one now before this committee. The item now under consideration deals with ingots and forgings. From the Dunning budget I read an item dealing with "blooms, cogged ingots, slabs," and so on. I think it only fair to the right hon. gentleman and to the committee that I should indicate these facts,

in view of his criticisms and those of his colleagues. There is a small increase under this item.

Mr. MACKENZIE KING: Under the Dunning budget there were only about six items in connection with which the duty was increased.

Mr. RHODES: Eleven.

Mr. MACKENZIE KING: I imagine the minister is splitting some of the items. In the present instance there are over one hundred and thirty items, without splitting at all, under which the duty is increased in the intermediate and general tariffs, and a very large number in connection with which the duty is increased against Great Britain.

Mr. YOUNG: If the minister has the Dunning budget before him perhaps he would point out an item in it in which the effective rate from Great Britain was made higher than it was under the general or intermediate tariffs.

Mr. RHODES: Yes; if the hon. member will look at item 377a in the Dunning budget he will find that the preference against Great Britain had been $1.50 per ton, but under the Dunning budget it was raised to $2.50 a ton.

Mr. YOUNG: That is not the question I asked. I want to know if the minister could name an item in which the effective rate from Great Britain was raised to a point higher than the effective rate from other countries.

Mr. RHODES: I can only state the facts as I understand them. If the hon. member suggests that an increase from $1.50 to $2.50 a ton is not an effective increase, then I must say that I do not understand what an effective increase is.

Mr. YOUNG: I am speaking of comparative rates.

Mr. HEENAN: I was wondering if the minister could explain the position we are in now. Some time ago we spent many thousands of dollars, through the Department of Trade and Commerce, I think, in propagating a new creed by which school children and other citizens of Canada obligated themselves not to purchase anything but Canadian-made goods. Now we have made an agreement with another country in order that they may send goods into Canada, which we have pledged ourselves not to buy.

Mr. MACKENZIE (Vancouver): Amend the creed.

Item agreed to.



Customs tariff—378. Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard:—

(d) Hot rolled, valued at not less than 4 cents per pound, n.o.p.: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—378. Bars of iron or steel, hot rolled, 5 inches in diameter and larger, when imported by manufacturers of polished shafting for use in their own factories, per ton: British preferential tariff, free; intermediate tariff, $7; general tariff, $7.

Item agreed to.

Customs tariff—378a, 378c. Sash or casement sections of iron or steel, hot or cold rolled, not punched, drilled nor further manufactured, when imported by manufacturers of metal window frames, for use in their own factories, per ton: British preferential tariff, free; intermediate tariff, $7; general tariff, $7.

Item agreed to.

Customs tariff—380. Plates of iron or steel, hot or cold rolled:—

(a) Not more than 66 inches in width, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $8; general tariff, $8.

(b) More than 66 inches in width, n.o.p., per ton: British preferential tariff, free; intermediate tariff, $6; general tariff, $6.

Mr. MACKENZIE KING: This is a terrible one. The general tariff on plates of iron or steel has been increased from $7 to $8 under (a); the intermediate tariff has been increased from $6 to $8, so that both intermediate and general are placed on the same level. Then under (b) there is an increase in the general tariff from $5 to $6 and in the intermediate from $3 to $6—it is doubled—and British preference is left the same in each case. Those two items alone will serve materially to increase the cost of construction and other items that enter into general production costs and costs of living in this country.

Mr. RHODES: May I point out that the three preceding items we passed showed very substantial reductions in the British preference. Naturally they passed by without comment. I do not complain of that. In the case of the increases to which my right hon. friend has just now referred, in most instances they are relatively less than they were under the Dunning budget. There the increase in one particular item that I have in mind was from $2.50 general to $4.50, almost double, whereas in this case the increase is from $6 to $8 and $7 to $8. So the relative increase is very much less than on the item to which I have referred.

Mr. DUFF: Does the minister mean to say that under the Dunning budget the rate was $2.50 and it is now $7?

Mr. RHODES: No, my hon. friend has misunderstood—

Mr. DUFF: No, I have not; I am asking a question.

Mr. RHODES: It was not on this same item. I was only comparing relative increases. I said that the increase on the item to which I referred a short time ago was from $2.50 to $4.50 general. In this case the increase, as the right hon. leader of the opposition pointed out, was from $6 to $8 and from $7 to $8. I am not dealing with the same commodity; I am only making a comparison of relative increases.

Mr. DUFF: I understand exactly what the minister is doing, but what I want to know is, on the item he was talking about what was the duty under the Dunning budget, and what is the duty under this agreement?

Mr. RHODES: The rates under the Dunning budget were $4.25, $6 and $7, and for the next item, free, $3 and $5. The rates now are $4.25, $8 and $8 as against the $4.25, $6 and $7; and free, $6 and $6 as against free, $3 and $5.

Mr. DUFF: Quite a difference.

Mr. RHODES: Yes; I was making the comparison only for the purpose of showing the relative increases. I had nothing else in mind. The imports last year under this item, of the not more than 66 inches wide amounted in all to $289,000 of which $80,000 came from the United Kingdom, $159,000 from the United States, and $50,000 from Belgium. Of the more than 66 inches wide importations were $1,560,000, of which $860,000 came from the United Kingdom, $621,000 from the United States, and $75,000 from Belgium.

Mr. YOUNG: Any produced in Canada?

Mr. RHODES: There is only one producer. We have no statistics as to the amount of his production.

Mr. SPEAKMAN: Can the minister give the value per ton of items coming under these specific duties? I want to get some idea of the ad valorem rate.

[Mr. Rhodes.]

Mr. STEVENS: It would be very difficult to arrive at from any statistics we have before us, because there is variation in the sizes, the thicknesses, and the quality of the plates; and to take an average would be very misleading.

Mr. SPEAKMAN: I quite appreciate that.

Mr. SANDERSON: Is it not true that the importations of this commodity last year were very low, probably only a small fraction of what they were in previous years?

Mr. RHODES: In the wider width the figure for last year was $1,560,000.

Mr. SANDERSON: I was calling attention to the fact that the importations were very much heavier in former years.

Mr. SPEAKMAN: That is what struck me, that with prices as they are at present for iron and steel the duty of $4.25, $6, $7 and $8 per ton must be a very heavy ad valorem duty, and must give an almost complete monopoly to this country.

Mr. RHODES: I am advised that most of this plate is worth $40 to $50 a ton, using round figures.

Mr. MALCOLM: How much would it cost freight and other charges to import a ton of this from Great Britain?

Mr. RHODES: I am afraid I could not answer the question; freight rates vary almost daily, as my hon. friend knows. But these heavy bulk commodities carry a very low rate. That is particularly true of ocean freight.

Mr. MALCOLM: I do not think there is anything on which the minister would have been better advised to have a difference between the intermediate and general rates than on plates of iron and steel. Provided that Great Britain is given a preference so that the diversion of trade might benefit Great Britain, there is no reason why he should not make the intermediate lower than the general, to give more trading value. The importation of this steel is from Great Britain, Belgium, or the United States, I think the minister realizes that a two way tonnage can be built up via Hudson bay of cargoes of wheat to Belgium, bringing back steel plates, if industry is to develop at all in the west. I submit that in leaving both the intermediate and general tariffs at the same point the minister is handicapping himself very materially in doing any business with Belgium.

Item agreed to.

Customs tariff—381. Sheets of iron or steel, hot or cold rolled: (a) ·080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. MACKENZIE KING: What were the total importations?

Mr. RHODES: Last year the imports totalled $2,226,000, of which $340,000 came from the United Kingdom, $1,856,000 from the United States and $30,000 from Belgium.

Mr. MACKENZIE KING: This helps to illustrate the really protective intent of this particular change. The old rate was 7½ per cent, 12½ per cent and 12½ per cent, while the new rates are 7½ per cent, 20 per cent and 20 per cent. The minister just told us that the importations last year amounted to $2,226,000, of which $340,000 came from Great Britain. The rate remains the same on imports under the British preference, but is increased from 12½ per cent to 20 per cent under the general and intermediate tariffs. As the general and intermediate rates carry the bulk of the imports, and the tariff is unchanged under the British preference, the item constitutes an increase under the general and intermediate tariffs of 60 per cent. The added cost to the Canadian consumers, if the imports remained the same, would be $140,000, and to this must be added whatever extra charges may be made by the Canadian manufacturers who will now enjoy an increase of 60 per cent in their protection. This is a drastic increase made under the pretence of aiding Great Britain.

Mr. RHODES: My right hon. friend is quite right from his point of view, but if the goods come from Great Britain they pay precisely the same duty they would have paid under the old tariff.

Mr. MACKENZIE KING: But the consumers pay a good deal more.

Mr. RHODES: Not necessarily; that remains to be seen. Our views differ in that respect and time alone will tell, as my hon. friend from West Middlesex said a few moments ago.

Mr. MACKENZIE KING: I should say to my hon. friend that this has been done on the part of the government with full knowledge that the dumping duties and the valuations, in the manner in which the tariff is administered at the present time, will be sufficient to shut out these imports from Great Britain.

Mr. RHODES: I must differ with my right hon. friend there. The arrangement is made with the agreement of our British friends, who are satisfied that they can do business under it.

Mr. YOUNG: Does the minister mean to say that this exchange dumping duty will not be collected? There is no use saying they will not have to pay duty if they come from Great Britain, so long as that duty is imposed.

Mr. RHODES: I did not say anything of the kind, as my hon. friend knows full well.

At six o'clock the committee took recess.

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## After Recess

The committee resumed at eight o'clock.

Mr. YOUNG: Mr. Chairman, this afternoon I made a request of the minister that he have his officers figure out an exact rate which would apply on item 354a, which covers household aluminum ware. I understood him to say that he would have this done during the dinner recess, and I wonder if he can give the committee the figures.

Mr. RHODES: I did not say I would have it done during the dinner recess; I said I would have it done by the officers of the Department of National Revenue before we came out of committee on this bill. It was too late to get the officers to-night, and I propose to have this information available at the next sitting of the committee.

Mr. YOUNG: I want to protest against this whole proceeding. There is no reason why this matter could not be figured out in ten minutes by the officers of the department. We are asked by the government to put into effect a tariff, and when we ask what that tariff is, they cannot tell us.

Mr. STEVENS: No.

Mr. YOUNG: Yes. I asked what would be the actual applied rates on certain goods coming in from Great Britain included in this tariff. The Minister of National Revenue cannot figure it out, the Minister of Finance cannot figure it out and the Minister of Trade and Commerce cannot figure it out. I asked that it be figured out by the officers of the department, and I am now told that they could not do it during the dinner recess. I have tried to do it myself, but the ministers tell me I am wrong. How do they know that I am wrong? I think we have a right to this

information, and if we cannot get it in any other way, then I think the committee should rise and report progress and the house should continue with other business until the information is available.

Mr. STEVENS: The manner in which my hon. friend has treated this matter in the last two or three days, and is now treating it, does not strike me as being reasonable, and I say that in a courteous way. There is no doubt that one could take a hypothetical case upon which to figure and arrive at a certain result, but that would not give anything which would be reliable or definite. There is only one way in which this matter can be dealt with to justify the placing of the reputation of government officials behind it. Let us consider kitchen and household hollow ware. In the first place, my hon. friend has not intimated whether he wants the retail, the wholesale, the export or some other price. Let us take some common factor which is capable of an accurate comparison. For the sake of illustration, let us take pig iron. Let us take the London and Pittsburgh prices quoted on a day when we can get the exchange rate in both countries—it must be remembered that the exchange rate which varies from day to day is very important. When we can get the exchange factor, we can figure from that point, but this requires a search in the journals for particulars because in no other way can you obtain an accurate comparison. I think my hon. friend has been arguing, perhaps not from false premises but from premises which are a little in error. He takes a certain amount of money and he translates that into a rate of exchange which might or might not be correct, and from that point he builds up his case. He is considering the exchange adjustment duty as though it were a penalty or a dumping duty, which it is not. What he speaks of as applying to Great Britain, applies to a score of other countries with depreciated currencies. I am taking up a little time, Mr. Chairman, in the hope that we can get away from a discussion of this matter upon every item.

The CHAIRMAN: I understand the hon. member has made a motion that the committee rise.

Mr. STEVENS: It was not made in the form of a motion.

Mr. YOUNG: I am quite willing to make such a motion.

Mr. STEVENS: I think my hon. friend is too good natured to do anything like that at this stage.

[Mr. Young.]

In dealing with any one of a dozen countries with depreciated currencies it is obligatory under the law that those currencies shall be considered as of a certain value. When an article enters the country the customs officer must look up the quotations on the milreis, the lira, the franc, the yen, the tael, the dollar, the pound or other currency, depending upon where the article originates. During the war, and in recent years, when exchange rates were fluctuating repeatedly, it has been and is the custom to stabilize such rates for a week or two; an artificial exchange rate is declared, otherwise it would be hopeless to ask the customs officials all over Canada to be posted upon the day to day or hour to hour rates. Sometimes these set rates may be good for a year; it depends entirely upon the fluctuations in exchange as between this and other countries. The customs officer turns to his bulletin and gets the rate of exchange, and if the article in question has come from a country with a depreciated currency, under the regulations and the statute he must impose a penalty, if my hon. friend chooses to call it such, or an exchange adjustment duty, as I prefer to call it, which brings the invoice price up to that figure. I will not say that these fluctuations occur daily in connection with all countries, but they occur often enough to prove to be a confusing factor. It would be quite fruitless for us to take an item, strike an exchange rate which we think is right, and start to figure on that basis. As an example, let us take the differential in exchange between here and the United States. If we have a 30 per cent duty against a certain article coming from the United States, when that article enters Canada the Canadian purchaser must find dollars to pay for it in addition to paying the 30 per cent duty, and for those dollars he pays 13 per cent in exchange. He pays not a 13 per cent penalty but a 13 per cent premium upon American dollars with which to pay his indebtedness. My hon. friend will see that that is a factor which must be always borne in mind. In making his calculation my hon. friend adds or subtracts, as the case may be; he takes that differential in exchange and calls it a customs duty. It is not a customs duty at all; it may have a similar effect, but it is an exchange factor due to the necessity of buying other currencies with Canadian funds. Perhaps my hon. friend will accept the suggestion of the Minister of Finance, that we take, say steel or iron or something which has a common factor where there is a world price, shall I say, in Pittsburgh or London, and figure out

a comparison on certain commodities and give it to my hon. friend tomorrow. But I submit to him and to the committee: it is not profitable nor does it add to the information of the committee to raise on each item these hypothetical cases. We do not wish to be discourteous; we do not wish to say to my hon. friend each time: We do not agree with your figuring; we think you are wrong. I am quite certain the gentleman who has helped my hon. friend to do his figuring—my hon. friend will admit he has a good adviser in this—could undoubtedly figure it out quite well; but I think in some of the figures he gave he was calculating on the basis of a rate of exchange that must have been applicable a month or two ago. Therefore nothing is to be added to the arguments here or to the clarifying of matters by these more or less futile discussions over hypothetical cases.

Mr. YOUNG: I do not think the problem is quite as difficult as the Minister of Trade and Commerce would seem to believe. The normal value of the pound is $4.86⅔. The government has said that it should be $4.40. The actual value fluctuates from day to day, so to avoid the difficulty my hon. friend mentions of having to take account of the fluctuations from day to day, every two weeks the department sets an average value for those two weeks. The other day, November 10, it issued this bulletin: "The average value of the pound sterling declared by the department for special duty purposes is $3.71, effective for entries during the period November 16 to 30, 1932." The actual value of the pound yesterday was $3.73 Canadian funds. The government had declared the average value for the present two weeks to be $3.71. They have also declared that the pound should be $4.40. I have been calling it an exchange dumping duty, but my hon. friend prefers to call it an exchange adjustment duty. I do not care what he calls it; it is a duty anyway; but that duty, whatever it is, shall be the difference between $4.40 and the rate they have fixed of $3.71, or sixty-nine cents. So that particular duty will be sixty-nine cents on an investment of Canadian money of $3.73. It is only a simple matter in artihmetic to figure out that that amounts to 18½ per cent. That is how I have arrived at this exchange adjustment duty, if my hon. friend prefers to call it that.

What I have been asking all along is that the minister take the ad valorem or specific rate, or both, as the case may be, based not on the invoice value of the goods in Canadian currency, but on what is declared to be the value for duty; figure that out; add to it this 18½ per cent and whatever the excise tax amounts to, and give us the total. In addition I believe there is ten per cent off the regular duty for direct shipment. That can be figured out. The arrangement the government has made for fixing every two weeks the average value of the pound in Canadian currency will avoid the difficulty of coming to an actual estimate. I do not see why we cannot have that total rate submitted to the committee in a few minutes. When we are passing these items, we have a right to know what the actual rate is going to be. I would be willing to wait until tomorrow, but by tomorrow many of these items will be through, and we want to know and have it right on the record exactly what the rate will be against Great Britain.

Mr. DONNELLY: Just before six o'clock, when we were discussing item 253, I asked the minister to tell me what duty I would actually have to pay if I bought that article in England. I wonder if he can give me the figure now.

Mr. RHODES: My hon. friend is on precisely the same question as the hon. member for Weyburn. I have told him we cannot give that computation now, but we shall do the best we can to give it before the committee rises.

Mr. DONNELLY: I make the same protest as does the hon. member for Weyburn. I understood we were to have this at eight o'clock. It would take only a minute or two to get it. The Minister of Trade and Commerce said that it was difficult to arrive at prices. There should be no difficulty about that. We have the price scale of goods in England, in the United States and in different parts of the world. We can take the average price for those goods and figure out what the duty will be. In England, when they went off the pound sterling, it was believed the price of goods there would go up; on the contrary, it went down two per cent. In the meantime in the United States the price of goods has dropped about 14 per cent, so the price of goods in England, by her going off the gold standard, has been kept up by about 12 per cent. It is not very difficult to figure out what these duties should be.

The hon. member for Weyburn, in figuring this out, has neglected one factor. The pound sterling at the present time is worth something in the neighbourhood of $3.73. The government calculates the duty not on $3.73, the amount paid for the goods, or on $4.40,

but on $4.86⅔, which makes the duty even higher. This should be figured out so that the committee, as we go through the items, will know the actual duty that will have to be paid on each of them. If we do this we may find that the duties on articles coming from Great Britain are higher than on articles coming from other countries.

Mr. RALSTON: I quite agree with the hon. member for Weyburn and the hon. member for Willow Bunch. I do not see what difficulty there is in the ministers having prepared for the committee a computation which has been repeatedly given in the house and which, while it has not been challenged, at the same time has not been fairly met. It is because the country does not realize the total amount of duty which is being imposed that there is not a stronger protest against the system which is now in force in this country. The request which has been made is a reasonable one and it should be quite easy to work out the answer. I have had an opportunity more than once to do exactly the same thing in connection with various items, and unless the government is ashamed of the rate of duty which is being charged, it might at least give us the benefit of the computation which can be readily made in respect of any item. What we want is a statement from a responsible minister of the crown as to the percentage of duty actually chargeable in connection, let us say, with this particular item, at today's rate of exchange and at the current rate at which the pound is fixed. Then we shall have an idea just how much duty is being charged. Perhaps the house realizes in a general way how much duty is being imposed, but I do not think the country does and I do not believe this can be brought home to the government themselves until they take their lead pencils and figure out how much this imposition of a duty on the pound at par, when as a matter of fact the goods are being bought at, say, $3.72, means, plus the three per cent excise tax, plus, in some cases, a specific duty, plus an ad valorem duty. Then there is the special dumping duty representing the difference between the fixed rate of the pound for let us say the current two weeks and $4.40, which is the rate which has been fixed for the pound for some time. These are things which the committee ought to know and which the ministers can fairly be asked to give. There is no mystery about it at all. There is no reason why statisticians should not sit down and in fifteen minutes, if they are really serious, give us this information in connection with any one of these items.

[Mr. Donnelly.]

Mr. RHODES: My hon. friend from Shelburne-Yarmouth was not present this afternoon or he would have heard me give an undertaking, in connection with a similar question which was submitted by my hon. friend from Weyburn, and another hon. member, that before we would ask the committee to rise and report the resolution we would ask for a computation to be made in each instance by responsible officials of the department.

Mr. RALSTON: I heard my hon. friend give that undertaking tonight, but it does not assist us in getting at these figures now. I am suggesting that it could be done in ten minutes by anyone who is familiar with the matter, and there is no reason why we should have to wait till the last minute for the information.

Mr. SPOTTON: If you were here more than one day a month you would learn about it.

Mr. RALSTON: At least perhaps I am as ornamental as my hon. friend who is here all the time. I do submit, Mr. Chairman, that if my hon. friends are really serious about giving the committee the information a computation could be made in a very short time and we should not have to wait until the committee rises.

Mr. MACKENZIE KING: If my hon. friend is unwilling to give the information until just before the committee rises, perhaps he will be good enough to tell the committee whether the calculation of The Economist of London in its issue of October 22, 1932, is a correct one. The Economist has prepared a special supplement dealing with the Ottawa agreements. It is a careful statement of the effect of the tariff changes, and I should like to read to my hon. friend one of the paragraphs which deals with this matter. The statement is:

> The (Canadian) tariff is, however, payable on the value of the article translated into dollars at the rate of $4.86 to the pound, and not at the actual rate of about $3.70 to the pound. In many cases this provision alone neutralizes the British preference in comparison with countries which are on the gold standard.
>
> In addition to the ordinary tariffs, imports into Canada are chargeable with three other taxes. The first of these is the sales tax, now at the rate of 6 per cent, which is not essentially protective, since it is also payable on home products. The second, is the special excise tax, amounting to 3 per cent, which, despite its name, is payable only on imports.

These two taxes, making a charge of 9 per cent, are levied upon the value of the imports plus the tariff which has been paid. Thus, if $100 of imports are subject to a tariff of 30 per cent, these taxes will amount to 9 per cent of $130, or $11.70.

The third of the special taxes is the dumping duty. Until recently, this duty had scarcely any effect upon United Kingdom trade, because it was most unusual for traders in this country to sell their goods in Canada at a price below that charged here. But, owing to the fact that the Canadian government fix arbitrary and different values for the exchange of pounds into dollars when calculating prices in the United Kingdom and in Canada, this duty has become a heavy charge upon British imports into Canada. Under the ordinary regulations concerning this duty if an imported article is offered for sale in Canada at a price less than its "fair market value" in the country of origin, a duty equal to the difference between these prices is payable. At the present time (i.e., the period October 16 to 31, 1932) the value of the pound is declared fixed at $3.82 for the purpose of calculating the selling price of British goods in Canada; but for the purpose of determining "fair market value" in the United Kingdom the pound is at present fixed at $4.40. Hence, at the rates now in operation, if the price of an article in pounds is identical here and in Canada, it is still necessary to pay a dumping duty amounting to 58 cents for every pound of the value.

This duty in particular has met with much opposition from Canadian importers of British goods, and even before Ottawa expectations had arisen that it would be reduced. These expectations themselves at the present time are an additional barrier to British trade, because they lead importers to delay buying stocks from the United Kingdom pending a reduction, with the consequence that, when orders have to be executed at short notice, they frequently go to the United States.

I think that that is an exact statement of the situation with which it purports to deal. If in any particular it is wrong, will some member of the ministry please so inform the committee?

The CHAIRMAN: I would remind the committee that members are here to give their own opinions and not to quote editorials. I did not want to stop the right hon. gentleman.

Mr. MACKENZIE KING: I was quoting, Mr. Chairman, the calculation of a recognized financial journal of the highest standing with respect to the effect of these new duties upon trade.

The CHAIRMAN: The committee will understand that it is easy to get the opinion of any man, but members are here to express their own opinions.

Mr. DONNELLY: It is not always easy to get an opinion, Mr. Chairman, because we have been trying in vain all day to get the ministry to give an opinion and make a calculation. Now when we have the opinion of an expert economist, why should we not be allowed to hear it?

The CHAIRMAN: The committee is always happy to hear the opinions of the hon. member for Willow Bunch, but quoting from books and editorials is absolutely out of order.

Mr. STEVENS: The right hon. gentleman has read an extract from The Economist. Naturally one attaches a very great deal of weight to anything that appears in The Economist, which is a very reliable journal, and I am not going to call in question the statements it makes except in certain particulars. What is being overlooked in all these discussions is this: Take liquor, for instance. These duties are not applicable to liquor at all. Or take articles not made in Canada—and there are many items in our tariff schedules dealing with that class, far more perhaps than is generally realized. They are classified as goods of a class or kind not made in Canada, and the special duty does not apply to them. It is not as simple as some seem to think to pick out a tariff item at random and state what is the rate on it. The matter is complicated, but there is no mystery about it. Nearly everyone knows just what the nature of these taxes is. There are two phases: One is the imposition of duties, and the other is the meeting of an emergency in the differentiation of currency values. That is an entirely different matter, and that must be borne in mind. It does not matter what our views may be on currency and exchange, and I submit this to my friends to my extreme right; the fact remains that currency is a problem apart and distinct from customs and excise duties, and must be so treated. I do not know whether it would be of any help to indicate what is the usual course pursued with respect to a given article which is actually dutiable, and let me make clear that this special duty does not apply to all articles.

The value of the pound for customs duty purposes is figured at $4.86⅔, and by the way, it must be borne in mind that these duties are based upon the application of that rate. Then there is the question: Is the article dutiable or not? Is it subject to the special dump, so called? I will use that term because it is familiar, although I object to it. Assuming that it is subject to the special dump, then we come to the point where the pound is fixed at $4.40. I pause to interject this: That is not an amount that was arrived at in a haphazard way, not by any means; after the

most careful calculations by the best experts which the government has in its service computations were made after Great Britain had gone off the gold standard of the rise that had taken place in commodity values in Great Britain over a certain period, and the rise was estimated at about ten per cent. If you take approximately 10 per cent off $4.86⅔ you have about $4.40. That is not precise, but it is approximate. Then we take the current rate of exchange, which happens to be at this time about $3.71 in Canadian funds, so that we have a difference, as the hon. member indicated a moment ago, of sixty-nine cents. That is the amount of the special exchange adjustment duty that is imposed. Let us remember that if we are dealing with an article under import, that is the proper amount. Then we compute the three per cent excise, which is a revenue tax, and then the sales tax is computed. I suggest, however, that it is not fair—and I say to my right hon. friend that this is another exception I take—it is not fair and just to say that you take three per cent and six per cent, making nine per cent, and figure it on $1.30, which is $1 plus 30 per cent duty, and that the result is a little over 11 per cent. That is not fair, because the six per cent sales tax is applicable to Canadian goods as well.

Mr. YOUNG: We are not counting sales tax.

Mr. STEVENS: The sales tax should be eliminated from all these calculations.

Mr. RALSTON: Except that the sales tax is applicable on $4.86⅔, when as a matter of fact the goods have cost only $3.72.

Mr. STEVENS: Yes, but there again we get into the realm of differentiation of exchange. I agree with my hon. friend that the computation is made on $4.86⅔, but again I say I must make some allowance for the difference in the value of currencies. We do not wish to penalize Canadian industry and Canadian production, and it certainly would not be fair to disregard the difference in currency values. I hope the committee appreciates that this matter is not as simple as it seems, and that one cannot take a hypothetical case and reach a satisfactory solution. If on a certain day we take a given import from Great Britain and compare it with an import from the United States or some other part of the world on the same day, then we can make a comparison between the British preferential, the intermediate and the general rates as the case may be. But it certainly is not as simple as it appears, and we do not feel that we should be called upon merely to do some rapid calculation on hypothetical cases. That is what I would draw to the attention of the hon. member for Shelburne-Yarmouth, who by the way, was not here this afternoon or yesterday when this matter was discussed so often. He must grant this, that sometimes we become a little weary of reiteration. I say to him and to his colleagues that to-morrow we will endeavour to bring in some comparative cases which we believe will be informative and accurate.



Mr. MACKENZIE KING: I hope the minister will concede that the very circumstances he has mentioned are the reasons why, at this time at least, we should not have further difficulties placed in the way of getting goods from Great Britain. We have been told that the purpose of the agreement is to further inter-imperial trade. We have been told by the Prime Minister that the agreements are to prevent trade with other countries. In view of all that has been said, it is becoming increasingly apparent that the agreements are not going to help inter-imperial trade to any extent. I doubt very much whether there will be a greater tendency to trade within the empire than is evidenced by the information contained on the lead pencil I have in my hand. This article would indicate where the government is making certain of its purchases at a time it is stressing trade with Great Britain.

An hon. MEMBER: Purchased three years ago.

Mr. MACKENZIE KING: No, it was not. This is a lead pencil bearing the notation "40 H.B. Government of Canada", and the United States is indicated as the country of origin.

Mr. McGIBBON: Did not your government do the same thing?

Mr. MACKENZIE KING: No, they did not.

Mr. HANSON (York-Sunbury): He could not get a pencil that is not made in the United States.

Mr. BOURASSA: I cannot understand the position taken by hon. members on this side of the house. For three weeks they have been denouncing—and I denounced with them—these treaties as obstacles in our world trade. We stated that they would have the effect of forcing us to trade too closely within the empire. The argument put forward by the minister is quite sound; and, holding the views I expressed in opposition to the agreements, I consider that these dispositions, the effect of which is to decrease the difference between duties exacted on British goods and

those exacted on foreign goods, tend to correct the defect in those treaties which we have denounced. Apparently, the difference between the duties levied on British goods and those levied on foreign goods is not quite as large as would appear from the schedules. Therefore I approve of those dispositions for the same reasons I have denounced the treaty.

Mr. RALSTON: I was not in the house yesterday, and judging by what has happened this evening it would not seem that I had missed much because, as I understand it, we are still at the stage where we are asking the government to furnish a simple computation with regard to duties. The hon. member for Labelle, who has just taken his seat, has just given his reason for supporting the government in the present instance. The reason other hon. members and I object is that it imposes undue taxation upon the people of Canada. If hon. members opposite would look across the line to the United States where, I suppose, there is some commercial intelligence, they would find that notwithstanding the change in exchange, the dump duty which is applied against sterling here has not been applied so far as the United States is concerned. Therefore we must conclude that this is an invention of the Canadian government against goods from Great Britain. We might as well settle down to that. At this time we are asking for only a simple arithmetical computation as to the amount of duty chargeable in connection with a few articles. The Minister of Trade and Commerce has said that that information will be furnished tomorrow. That is different from the statement made by the Minister of Finance, to the effect that it would be furnished tonight before the committee rose.

Mr. RHODES: No, before the committee reported the bill.

Mr. RALSTON: I thought the Minister of Finance said it would be supplied before the committee rose. At any rate we are confronted with the same difficulty all the way through the schedule. I submit that for the benefit of the government as well as of the committee we must, and ought to have the information which has been asked for. I hope the Minister of Trade and Commerce will see to it that the computation is made, and that a certain number of examples are set forth. I believe such information would show in a striking way the taxes being imposed upon the people of Canada by way of duties.

Some hon. MEMBERS: Carried.

Mr. YOUNG: No, it is not carried. The minister has given reasons why the government does not care to make the computations for which I have asked. They would not like to risk the reputation of any of the experts in government departments. They suggest hasty computations are unfair, and perhaps we cannot blame them. But I have no such reputation at stake, and I am willing to make a computation. If I am wrong, perhaps the ministers opposite will put me right. I have made a computation of what the actual applied rate will go on one British pound sterling worth of goods described in item 354a as kitchen or household hollowware of aluminum. It figures out like this: The quoted rate here from Great Britain is 20 per cent. That will be applied on $4.86⅔ although the goods only cost $3.73 Canadian. This 20 per cent on $4.86 is equal to 26 per cent on $3.73; that would be the ad valorem rate. There is a ten per cent reduction if the goods are shipped direct to Canada, which would leave it 23·4 per cent. Then the special excise tax of 3 per cent, which is in reality a duty, will be based on $1·234 or 3·7 per cent. The exchange adjustment duty —my hon. friend preferred to call it by that name rather than exchange dumping duty— will be 18·5 per cent, making 45·6 per cent. In addition to that we have a portion of the 6 per cent sales tax. So my estimate is that the actual charges applied against a British shipment of these goods would be 47 per cent or more. If I am wrong, let the experts of the department say so. But I make this offer to the minister; I am willing to drop this whole matter until all these items are through the committee if the minister will promise that when we get into ways and means he will furnish us with another column to this schedule showing the actual applied rate, all things included, on all goods coming from within the British Empire.

Mr. McGIBBON: I think the hon. gentleman would have more influence with this house if he had had the courage to go a little further. Why doesn't he move that this item be struck out?

Mr. YOUNG: That would require a lot of courage.

Mr. McGIBBON: Yes, which you haven't got. The arrangement is either beneficial or it is not; that is logical, isn't it? If it is beneficial, it should pass; if it is not, those who are opposed to it should have the courage to oppose it to the extent of moving that it be struck out. Will the hon. member who has just sat down do that?

Mr. YOUNG: I would do that in a minute if the chairman would not rule it out of order.

Mr. DONNELLY: Mr. Chairman—

Mr. McGIBBON: I will yield the floor to the hon. member for Weyburn (Mr. Young) in order that he may have an opportunity to do that.

Mr. DONNELLY: This treaty is signed and is supposed to be in effect, yet we are sitting here trying to find out what the treaty is and we are unable to do so. The public is anxious to find out what it is, and no one seems to know. How can we tell whether it is good or bad? We have been endeavouring for the last two days to find out something as to the rates of duty we have to pay. Unless we know something about it we just have to take a pig in poke.

The CHAIRMAN: Order.

Some hon. MEMBERS: Carried.

Mr. McGIBBON: I am still waiting to hear from the hon. member for Weyburn.

An hon. MEMBER: You are too late; the item is carried.

Mr. ELLIOTT: It seems to me that the time of this committee will be saved by doing what has been suggested. I think the ministers in charge of this tariff are sufficiently reasonable not to ask the committee to pass the items without knowing what they really mean, yet that is what is being done. Is it the admission of the minister that the tariff as now sought to be passed is so complicated, so involved, so intricate, that the Minister of Finance and the Minister of Trade and Commerce with their advisers, cannot tell us offhand what the actual tariff is of which we are now asked to approve?

Mr. GEARY: It is shown in the agreement.

Mr. RHODES: My hon. friend knows perfectly well just what the tariff is in connection with any one commodity dealt with in these schedules. It is as clear as the noonday sun. The only question that arises is the mathematical and technical computation which has to be made by the trained officials of the Department of National Revenue, who have to deal with numerous factors, many of them variable from day to day, such as the price of the goods themselves, and the exchange. I have told my hon. friend, as I told the committee before, that I would endeavour, before we rise from committee, to have a number of typical instances worked out, following the inquiries made by hon. gentlemen opposite, and brought to the committee, dealing with the duty on a given day on the basis of a given rate of exchange. I submit that that is a fair answer. It would be utterly impossible for us to attempt here to figure out complicated duties with all these variable factors on a given item on the spur of the moment. The duties themselves in their terms are known to my hon. friend; their application in individual instances is subject to the factors of which I have spoken.



Mr. RALSTON: There is only one variable factor, isn't there—the rate of exchange on a given day?

Mr. RHODES: No, there are several variable factors. There is the question whether the goods are subject to excise duty. If they are, they are not subject to the so-called dump. And if they are of a class or kind not made in Canada they are excepted. So there must be technical knowledge with respect to the individual items in every instance. The question is not as simple as the hon. gentlemen would suggest it is.

Mr. MACKENZIE (Vancouver): Can the minister inform the committee how many of these types of goods are included in the items we are discussing, that is, not subject to excise tax and not made in Canada?

Mr. RHODES: There is one item alone, respecting chemicals and drugs, which covers every known drug or chemical used in Canada but not made in Canada. That illustrates the difficulty.

Mr. MACKENZIE (Vancouver): I think the committee is entitled to that information. If we cannot get it today perhaps we could have it to-morrow afternoon.

Mr. RHODES: As I have pointed out, we will endeavour to get the information. But hon. gentlemen realize that with respect to any one of these questions they could, by going to the Department of National Revenue, obtain the information much more readily than they can under these circumstances. We cannot be expected to be prepared to give information of that kind offhand. But I assure hon. gentlemen that we will not press the committee to pass this until we have satisfied their reasonable curiosity.

Mr. MACKENZIE (Vancouver): The Minister of Trade and Commerce disputes assertions made in The Economist as read by my right hon. leader——

Mr. RHODES: I am not calling in question the fairness of the suggestion, neither am I offering any objection to the inquiries submitted. All I say is that we cannot give this information offhand.

Mr. BOTHWELL: Is it not a fact that customs officers are making these computations every day at the different ports in Canada.

Mr. RHODES: Yes, on instructions from the Department of National Revenue dealing with the variable factors of which I have spoken.

Mr. MOTHERWELL: I wonder how the customs officials work out these duties at the various ports of entry. Do they take as long as this to do it?

Mr. RHODES: My hon. friend does not seem to realize that in this matter the Department of Finance is not the administrative department; it comes under the Department of National Revenue. We have not the information in our department; it must be obtained from the Department of National Revenue in the manner I have indicated.

Mr. YOUNG: Will the minister not admit that we as members of this committee who are asked to pass these items are entitled in every case to know exactly what we are doing and what duties we are imposing?

Mr. RHODES: Having heard the arguments of my hon. friend I would say that he is in dire need of a good deal of information, and it will be my endeavour to satisfy his curiosity so far as that may be possible.

Mr. MACKENZIE KING: One point was raised by the hon. member for Muskoka-Ontario which I think should be dealt with at once. The hon. member asked why someone on this side did not move to reduce or strike out one or other of the different items. May I say that if we refrain from such a course it is because we do not want to make a mere pretence of doing something which we know cannot be done in the circumstances. The Prime Minister has made it perfectly clear that this agreement is to go through exactly as it has been framed, and for us to move to reduce any item would be to simply pretend we were doing something which we all know will not be done. We desire to make it perfectly clear, however, what is the significance of these increases in duty.

Mr. RHODES: I take no exception whatever to the statement just made by my right hon. friend the leader of the opposition. He has accurately stated the position, and I have nothing to add.

Item agreed to.

[Mr. Rhodes.]

Customs tariff—381a. Sheets of iron or steel, hot or cold rolled, with silicon content of ·075 per cent or more, when imported by manufacturers of electrical apparatus, for use in the manufacture of electrical apparatus in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.

Mr. MACKENZIE KING: Are we taking only the one item now? We might take the next three items together.

Mr. RHODES: In the schedule to the bill my right hon. friend will see that there is only the one item.

Mr. MACKENZIE KING: That is hoop steel, hot or cold rolled, is it not?

The CHAIRMAN: No, we are dealing with item ex 381a.

Mr. MACKENZIE (Vancouver): With reference to this item I see an increase from 12½ per cent to 20 per cent in the intermediate and general tariffs, while the British preference remains the same. I also observe that the total importations last year amounted to about $2,225,000, and that of this total only about $340,000 came from Great Britain. Here we have a tariff increase of about 60 per cent which will cost the Canadian consumer about $140,000 more on this one item alone.

Mr. RHODES: No, my hon. friend is entirely in error. If he will look at item 386p in the votes and proceedings he will observe that there is no change in the duty under either the intermediate or the general tariff. We have reduced the British preference from 7½ per cent to free.

Mr. MACKENZIE KING: I think we are talking about different items.

Item agreed to.

Customs tariff—382a. Hoop steel, hot or cold rolled, plain or coated, ·064 inch or less in thickness, not more than 3 inches in width, when imported by manufacturers of barrels or kegs or by manufacturers of flat hoops for barrels and kegs, for use exclusively in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.

Mr. RHODES: This is a new item entirely. We have not disturbed the duty under either the intermediate or general tariffs; we have simply removed the present preference rate of 7½ per cent and placed these goods on the free list.

Mr. MACKENZIE KING: We must be on the wrong item.

Mr. STEVENS: Look at item 386q.

Mr. RHODES: My hon. friend is comparing a different item.

Mr. MACKENZIE KING: The chairman called item 382a.

Mr. RHODES: This is a new item, taken out of item 386q, or perhaps I should reverse my figures. May I suggest to hon. gentlemen that if they would use the bill instead of the votes and proceedings we might escape some confusion.

Mr. MALCOLM: There are two items bearing the same number.

Mr. MACKENZIE (Vancouver): In the bill there is an item ex 382a.

Mr. STEVENS: Of course hon. gentlemen will understand that when "ex" is used it means that the item is lifted out of item 382. When it goes into the votes and proceedings it must be a new item, and there it will be found as item 386q.

Mr. MACKENZIE (Vancouver): Take page 16 of schedule E, and take item ex 382a. It is shown here with the proposed rates free, 12½ per cent and 12½ per cent. What were the old rates?

Mr. RHODES: They were 7½ per cent, 12½ per cent and 12½ per cent.

Mr. MACKENZIE (Vancouver): Then take the next item, which is also ex 382a, with the rates at 7½ per cent, 15 per cent and 15 per cent. What were the old rates?

Mr. RHODES: The old rates were 7½ per cent, 12½ per cent and 12½ per cent. That item has not been called yet.

Mr. VALLANCE: The Minister of Trade and Commerce says that in the votes and proceedings we will find these all under one item. What is his explanation now, after the Minister of Finance has said there are two different items?

Mr. MALCOLM: The fact of the matter is that the items are described in the bill not by their proper numbers but by the numbers of the previous items from which they were taken.

Mr. SANDERSON: Are these goods manufactured in Canada?

Mr. RHODES: May I ask my hon. friend to which item he refers?

Mr. SANDERSON: Item ex 382a and the following items, at the top of page 16.

Mr. CANTLEY: No.

Mr. SANDERSON: I am asking the minister; he will answer.

[Mr. Stevens.]

Mr. CANTLEY: I thought you were looking for information.

Mr. RHODES: I am informed that there is no hot rolled strip steel manufactured in Canada.

Mr. SANDERSON: The minister hesitates; is he absolutely sure of that?

Mr. RHODES: My officials inform me that I am correct. I submitted the question to them before I gave the answer to the committee.

Mr. SANDERSON: Then were any representations made by the iron and steel interests of Canada with regard to these items?

Mr. RHODES: There was a joint agreement on the part of the iron and steel producers of the empire, who met at Montreal, in which they concurred in the proposals contained in these items.

Mr. SANDERSON: A joint agreement between whom?

Mr. RHODES: Between the iron and steel producers of the empire.

Mr. SANDERSON: Including, of course, the iron and steel producers of Canada?

Mr. RHODES: Yes.

Mr. SANDERSON: And that joint conclusion was recommended to the government? Are these items the result of that agreement?

Mr. RHODES: Yes, it was recommended to the government and adopted in the main by the government.

Mr. SANDERSON: And the government readily fell in with the recommendation?

Mr. RHODES: No. In some cases the government changed entirely the recommendations, but with respect to the items in question my hon. friend will see that in the main we have reduced the preference from a stated percentage to free. I was dealing not with the whole list of submissions but with these particular items.

Mr. SANDERSON: In the main the government coincided with and agreed to the recommendations of the iron and steel interests of Canada in connection with these items?

Mr. RHODES: In the main the government accepted the views of the iron and steel interests of the empire, including Canada; some of the recommendations were rejected.

Mr. SANDERSON: Did the government make any investigation in connection with the iron and steel industry before they came to their conclusion, or did they just take the recommendation of the iron and steel interests?

An hon. MEMBER: Rot.

Mr. SANDERSON: The hon. member had better keep quiet.

Mr. RHODES: I might say that the whole schedule was revised in 1930 and the government was in possession of considerable information. It was only in the light of the information which they had that the government came to the decision it did at the conference.

Mr. VALLANCE: The minister has pointed out that all these items are not manufactured in Canada. What were the importations from the United Kingdom and other sources?

Mr. RHODES: Under the heading of hot rolled, narrow steels, the imports last year were valued at $256,000, of which $13,000 came from the United Kingdom, $205,000 from the United States, $19,000 from Belgium and $14,000 from Germany.

Mr. VALLANCE: This change would have a tendency to transfer the trade with foreign countries to the mother country. At the time the representations were made to the government by the iron and steel industries, were the consumers also heard?

Mr. RHODES: It would be impossible to consult the consumers unless we covered the whole of Canada, individual by individual. I can hardly conceive of that being necessary, inasmuch as we have placed these commodities upon the free list and in practically all instances removed the duties hitherto obtaining under the British preference.

Mr. MACKENZIE KING: Not on the free list.

Mr. SANDERSON: Is it fair to assume that the government raised the intermediate and general rates from 7½ to 12½ per cent upon the recommendation of the iron and steel interests of Canada?

Mr. RHODES: Not necessarily. I have told my hon. friend that in the main we accepted the agreement arrived at between empire producers, but it by no means follows that in the case of an individual item the specific rates in question were those which were recommended at the time. All I can say is that the items as they appear now were those which were finally agreed to by the representatives of Canada and the mother country.

Mr. SANDERSON: I think it is fair to assume that the government lent very attentive ears to the iron and steel industries of Canada.

Mr. RHODES: In the case of the item in question, the largest consumer in Canada was present and was agreeable to the proposal.

Mr. YOUNG: Were all the secondary manufacturers who use these commodities represented?

Mr. RHODES: I would not undertake to say that all the secondary consumers were present, but I would say that the interests affected were reasonably represented.

Mr. MACKENZIE (Vancouver): The Dominion Bridge Company?

Mr. YOUNG: A secondary manufacturer who consumes large quantities of this commodity and is interested in its production might not be negligent with respect to his own interests in acceding to these duties. We should like to know whether the secondary manufacturers, the real consumers of these commodities, were represented by their association, we will say.

Mr. RHODES: Do I understand that my hon. friend objects to the placing of a number of these items upon the free list?

Mr. YOUNG: I just want to get at the facts. Certain manufacturers are consumers of this article and they will be affected by the change. In some instances the rates have been increased under the intermediate and general tariffs. Are these manufacturers who are affected by this increase being granted compensation by way of increases in other items?

Mr. RHODES: It may be that there are other increases, but at the moment my hon. friend is taking objection to an item in which there is an increase of only 2½ per cent in the intermediate and general rates.

Mr. VALLANCE: Are we discussing both the items numbered 382a, or just one?

The CHAIRMAN: I really do not know.

Mr. VALLANCE: The minister has stated that the rates are free, 12½ and 12½. If we are discussing only the first item, I have nothing further to say, but I notice that the second item carries the rates 7½, 15 and 15. If we are discussing both items together, the minister's information is hardly correct.

Mr. RHODES: It was requested that I give the imports last year in connection with this particular item. I stated that the only change in this item was an increase of 2½ per cent in the intermediate and general rates, but my reference to the free list applied only to the first item.

Mr. YOUNG: Will the minister tell us who are the users of this commodity, and just where we will find the item in this schedule in which they are interested and from which they will receive a compensation for the increased duty they are to pay?

Mr. RHODES: It is quite impossible to answer in detail the question asked by my hon. friend. I might say that the item second removed from this one carries an increase in the intermediate and general rates which may have the effect of improving the condition of the consumers to which my hon. friend refers. There is no change made under the British preferential.

Mr. MACKENZIE KING: The minister has stated that the largest consumer of this particular article was consulted and was agreeable to the change, but I should like to have it made clear just who he has in mind in referring to the "consumer." There are consumers and consumers. Let us assume, for example, that this steel and so forth is required for bridge building. I suppose the last consumer would be according to my hon. friend's reasoning, the company that does the construction work on the bridge. If that be the case, I should like to point out that there is a consumer beyond that company, the ultimate consumer, who has to pay for the bridge; that includes those who cross and pay tolls and the like. I can understand the government permitting the iron and steel industry to divide up the British Empire amongst themselves and arrange what will be one man's finished product will be another's raw material, but to arrive at what will be paid by the consumer and taxpayer, in the last analysis we have to go as far as the users of the commodities. According to what the minister has told us, I am afraid all the government has done is to make things easy in the manufacturing line, but to arrange matters so that the actual burden will fall on the real consumer, who is the last man to pay.

Mr. RHODES: To answer the last part of my right hon. friend's question, I think his position is ill-founded, certainly with respect to the preceding item, because the ultimate consumer cannot be affected if the goods come in free as they do now. Let us take the present item. My right hon. friend has in mind structural steel as used in bridge building. If an attempt were made to build a bridge with the materials that come in under this item, it would be unsafe for my right hon. friend to travel across it, even on foot. This is steel .080 inch or less in thickness. It is thin strip steel. When I said "consumer," I meant the immediate consumer.



Mr. MACKENZIE KING: I was referring to the ultimate consumer.

Mr. RHODES: The ultimate consumer is always the one who must pay in the end, but if the immediate consumer gets a commodity cheaper, presumably the ultimate consumer will get his commodity cheaper.

Mr. MACKENZIE KING: Not if you make a monopoly of the industry in the meantime.

Item agreed to.

Customs tariff—382a. Band steel, hot rolled, ·080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RHODES: This next item has reference to precisely the same type of commodity, except that it is slightly thicker. The imports of this class of goods last year amounted in all to $235,000, of which $1,000 worth came from the United Kingdom, $213,000 from the United States, and $20,000 from Belgium.

Mr. DUFF: How much is manufactured in Canada?

Mr. RHODES: Some of this thicker variety, I am informed, would almost come up to bar steel, and bar steel is produced in Canada; but I am told by my technical advisers there is no possibility of segregating the amounts, so far as our trade figures are concerned, to indicate the amount produced in Canada last year.

Mr. MACKENZIE KING: Let me point out the real significance of this change. Under the old rates the British preferential was 7½ per cent. It remains at 7½ per cent. Under this tariff the general tariff is increased from 12½ per cent to 15 per cent, and the intermediate tariff is increased from 12½ per cent to 15 per cent. In other words, the British preferential is left just where it was and the duty is raised against other countries, thus giving more in the nature of a monoply to the manufacturing industry in Canada.

Mr. RHODES: I think my right hon. friend has inadvertently confused his items. He is speaking now of item 382b, band steel.

Mr. MACKENZIE KING: No, item 382a.

Mr. RHODES: I thought we had just passed that, and the figures I gave were with respect to the second one.

Mr. MACKENZIE KING: My hon. friend has quite unintentionally overlooked the second item; his eye has caught the first one.

Mr. RHODES: I gave the figure for both. I announced just now that the item I referred to was the companion item and had to do with the thicker class of sheet steel, and I was giving my figures with respect to 382b. In the case of 382b the original rate was $4.25 British preference.

Mr. MACKENZIE KING: We are not yet on 382b.

Mr. RHODES: I thought 382b had been passed and I gave the figures with respect to 382b.

Mr. MACKENZIE KING: If the minister will look at the bill, he will see that there are two items 382a, side by side. My hon. friend, each time he has spoken, has let his eye fall on the first one where the British preference is free, and we on this side, who are watching the interest of the consumer, are looking at the second one where the rate is 7½ per cent British preferential. I do not know why they should both be under the same item, but they are. The second one ought to be called 382a2, or something of that sort.

Mr. RHODES: They are derived from the same old item, but in one case we put the British preferential free and in the other it remains at 7½ per cent. I am sorry I was confused in my figures. I thought we had passed on to 382b.

Mr. VALLANCE: Might I direct the attention of the minister to this: the beginning of 382a is:

Hoop steel, hot or cold rolled, plain or coated, ·064 inch or less in thickness.

Then 382a in the second instance says:

—·080 inch or less in thickness.

They are the same thing.

Mr. RHODES: No, they are not; they are of different thickness and are used for entirely different purposes. One is cooperage steel and the other is used for a different purpose.

Mr. HEENAN: Can the minister tell me now what percentage of the material that goes into this United Kingdom material is from the United Kingdom and what percentage comes from foreign countries?

Mr. RHODES: It will have to qualify under the empire content, otherwise it cannot come under the British preferential. My hon. friend knows the empire content is not less than fifty per cent.

Mr. HEENAN: The minister did not catch my question. I realize the qualification is fifty per cent. The question I asked was this: Can the minister give us information as to what percentage of the material that goes into United Kingdom commodities comes from the United Kingdom and what percentage comes from foreign countries?

Mr. RHODES: I cannot give my hon. friend that information. It would have to be dealt with in each individual case in the Department of National Revenue; it is an administrative matter. I have no such figures with respect to any one of these commodities.

Mr. HEENAN: I am sure the ministry must have thought of this when they were discussing the agreements with the British Empire delegates. Can he tell me the rate of wages paid in the industries in the United Kingdom and the hours the men work in those industries?

Mr. RHODES: I am sorry I have under my hand no data which I could use to enlighten my hon. friend. It would be a very difficult and complex matter to follow one commodity through several industries with the many employees they have. I have not the computation.

Mr. HEENAN: The reason I ask the question at this time is this: I know the Prime Minister refused to have the advice of men acquainted with labour, on labour matters at the conference. This is about the only government participating in the conference that did not have a man acquainted with labour matters as an adviser. Inasmuch as we have been discussing on some of the items, especially on article 21, the question of conditions of employment, I was wondering whether the minister had inquired into the conditions under which these commodities are manufactured so far as labouring men in Great Britain are concerned, also as to the conditions of labour prevailing in the countries from which Great Britain derives some of her raw materials. At an economic conference one would naturally expect economic questions of this character to be considered. It might also have been considered opportune to discuss the conditions under which these materials are manufactured in Canada, the

hours of labour and wages of Canadian workingmen. I felt that all these matters should have been gone into at the economic conference, and I am sorry to hear from the minister that they were not considered.

Mr. RHODES: In answer to my hon. friend, if I can answer his observations, I would say in the first place that no question has been raised by labour anywhere, so far as I am aware, with respect to the hours of labour arising out of these conference agreements. Surely my hon. friend does not suggest that we in Canada should take a certain attitude with respect to what Great Britain should do with respect to hours of labour in industry and other matters which are entirely within the purview of the British parliament. Unless my hon. friend is prepared to take that position I cannot see the bearing of his remarks at the moment.

Mr. MALCOLM: I would point out to the minister that steel, for instance, is being treated as an empire industry, and I submit that in the case of an industry which you are standardizing as such the question of wages and working conditions might very well be gone into.

The CHAIRMAN: Shall that question be discussed on this item?

Mr. HEENAN: That is just the attitude of the government, Mr. Chairman, that labour questions ought not to be discussed in connection with this agreement.

The CHAIRMAN: They might better be discussed on the second or third reading of the bill.

Mr. HEENAN: We are interested, Mr. Chairman, in the question of labour content with respect to this item. The government evidently took notice of the labour content and labour conditions in Russia because they have repeatedly pointed out that it is their intention to shut out imports from countries which have a lower living scale than Canada. If we are going to permit the importation of empire commodities half of the labour content of which comes from foreign countries, surely we ought to take this question of labour content into consideration.

Mr. RALSTON: This item as well as any other gives us an opportunity to ask the government whether any discussion took place or any understanding was arrived at that advantage shall not be taken of the preference by the British manufacturer to increase the price to the consumer of goods not manufactured in Canada and coming in free under the British preference, and heavily taxed when imported from foreign countries. The ministers will remember that there is a provision in the Customs Tariff, which the government considers is of some use, to prevent an increase of price under the shadow of the tariff wall. Is the same thing to apply to British goods coming in either free or at a comparatively low rate of duty as compared with the duty on the same goods from foreign countries?

Mr. STEVENS: I am not sure that I got my hon. friend's question quite right, as it was rather a long one. I think it was to this effect: Were there discussions at the conference regarding the adjustment as between different parts of the empire having regard to labour conditions in different parts of the empire?

Mr. RALSTON: I am not speaking of labour conditions but of the cost to the consumer of goods which are coming in free under the British preference or at a low rate of duty and on which a heavy duty is charged against foreign countries. Is there any provision or understanding whereby the British producer will be penalized if he puts up his price to the Canadian consumer under the protection of the tariff wall imposed against the foreigner?

Mr. STEVENS: No, not so far as there is any specific reference to it in the agreement. It will be obvious, I think, to all of us that should such a thing happen the value of the preference would be dissipated to the extent to which the abuse was perpetrated. Further, there is always the question of competition within Canada. There may be goods not made in Canada, to which, of course, that would not apply. But if my hon. friend asks if there is anything specifically provided in this agreement to deal with that situation I would say no, other than the declarations of general principle contained in the various articles that we shall come to after this article is passed, and where this question I think might more properly be discussed.

Mr. RALSTON: This item gives me the opportunity to ask the question, but I am willing to defer the discussion if the minister wishes. The government felt there was some virtue in putting a section in the Customs Tariff whereby when producers of goods took advantage of the duty so as to maintain or increase prices to the consumer the duty can be wiped off. Is that correct?

Mr. STEVENS: My hon. friend makes that statement as though it applied to all goods exported from Canada, but it applies only to a limited number of items—copper, lead, zinc, wheat and so forth.

Mr. RALSTON: I find I have not made myself clear. I am saying that in the Customs Tariff there is a provision to the effect that in the event of a producer taking advantage of any duty imposed under the act to increase the price of his goods to the consumer or to maintain prices at levels deemed by the governor in council to be higher than should prevail, having regard to the general economic conditions in the country, the governor in council is empowered to remove such duty. That is provided in section 17 of the Customs Tariff as enacted in 1931. We have provided at least so far as the Canadian manufacturer is concerned that the consumer shall be protected against exploitation behind a tariff wall. That is what the government said they were trying to do, though some of us had a good deal of doubt about the efficacy of the provision; but let us assume that it is efficacious and that the consumer is protected against the Canadian manufacturer. Why should he not be protected in the same way against the British manufacturer who now is entitled to have his goods come in free or at a rate substantially lower than the rate imposed against the foreign manufacturer?

Mr. STEVENS: There is no corresponding provision in this agreement so far as I know.

Mr. RALSTON: Does not the government think that there should be? Can there be any reason why we should attempt to protect the Canadian consumer against an increase by the Canadian manufacturer and not do exactly the same thing as against the British manufacturer, especially when, as I am reminded by my leader, they are given a monopoly? Take this very item. The Minister of Finance said that at least one large consumer had been heard. I happen to have a consumer in my constituency, a manufacturer of fish barrels, who uses a very large quantity of this stuff. Is there any provision in the Canadian tariff law or in the arrangements under the trade agreements which will enable the government to penalize a British manufacturer if he charges, let us say a ten per cent instead of a 7½ per cent increase on the goods which he produces for a certain consumer? Against the foreign consumer there is 12½ per cent duty, and against the British manufacturer there is only 7½ per cent, making a spread of 5 per cent. Let us assume the British manufacturer says: "I can go up to 10 per cent, because the American has to pay 12½ per cent." Is there anything to prevent his doing that, with the result that the Canadian consumer my constituent, would not get the benefit of the five per cent duty and the spread between the British preferential and general rates?

Mr. STEVENS: Precisely that which has always existed, the well recognized principle of competition in trade. My hon. friend knows very well that this parliament is not likely to be asked to legislate to penalize a foreign manufacturer for any given act. But we have the open competition in trade, and in the item to which my hon. friend has just made reference there is free entry under the British preferential tariff.

Mr. RALSTON: No, it is 7½ per cent.

Mr. STEVENS: To which item are you referring?

Mr. RALSTON: To item 382a.

Mr. STEVENS: The British preferential rate under item 382a is free.

Mr. RALSTON: There are two items with that number; I am referring to the second one.

Mr. RHODES: The argument presented by my hon. friend in connection with the cooper in his constituency falls to the ground, because, under the former tariff, the British preferential rate was 7½ per cent and the intermediate and general rates 12½ per cent. Today the intermediate and general rates are 12½ per cent, and the British article comes in free.

Mr. RALSTON: I understand that.

Mr. RHODES: How does he suggest that his cooperage friend in Yarmouth will be penalized by having to pay a higher price to a British producer?

Mr. RALSTON: Probably I have been very stupid in making my presentation. I am asking my hon. friend the simple question: How is the manufacturer in Yarmouth, Shelburne, or any importer of goods from Great Britain going to get the benefit of reduced duties unless there is some provision in the tariff to provide that if the British manufacturer puts up his price, let us say, 10 per cent, you may deprive him of the benefit of the duty as was done in the case of the Canadian manufacturer I mentioned. Surely that is a simple question. I am not

asking what the duty was before; I am saying that this government has adopted the principle of protecting the consumer against possible exploitation. Having done that, have they done it with regard to goods coming into Canada from the British manufacturer when the goods are not manufactured in Canada at all? The Minister of Trade and Commerce has been talking about competition. The statement has already been made that there is no competition in Canada for this particular article because the American manufacturer cannot bring his goods in unless he pays a duty of 12½ per cent. Then, the British manufacturer has all the way from nothing up to 12½ per cent to work on. Is there anything to prevent the British manufacturer from adding 10 per cent to his price because he has a protection of 12½ per cent against the world?

The CHAIRMAN: That item is passed. We are on the second item 382a, concerning band steel, hot rolled, etc.

Mr. RALSTON: I am sure hon. members opposite will realize that it is difficult to confine one's remarks to one item. There happened to be two items with the number 382a. I find no fault with that, but I do not think the chairman should confine us too closely to one or to the other, so long as we use one for the purpose of discussion.

Mr. RHODES: I cannot follow my hon. friend's argument. If he wishes to protect his cooper down in Yarmouth against a preference contained in this trade treaty, the only alternative I can suggest is that we put the duty back to 7½ per cent and leave him as he was, under the tender care of my hon. friend. I make that statement with all due deference. How does he expect the government to be able to follow the question whether a cooper down in Yarmouth, buying a few strips of cooperage steel, will know that he is paying a price which represents the fair market value? Surely my hon. friend wants to compare equal things. He knows that there are in the treaty provisions to the effect that with respect to some commodities we must compete at world prices. He knows that there is a world price in wheat, copper, zinc and lead. But certainly there is not a world price or a world market for cooperage steel, particularly when it comes down to such a small amount as would be required by the gentleman to whom my hon. friend has referred.

Mr. RALSTON: I must say I find it equally difficult to follow the minister. The government has said in respect of Canadian made goods that they can follow the price of an article on which a tariff is imposed, that they will see to it that the consumer is not exploited, that they will prevent the use of the tariff for the purpose of maintaining or increasing duties to the consumer. Now the Minister of Finance tells us that he cannot follow that down to the consumer. That was exactly the reason for section 17 which was put in in 1931. There is no question that this government said they could follow the price to the consumer, and that they could find out whether or not a manufacturer was using the tariff for the purpose of increasing his price. Does section 17 mean anything at all?

Mr. RHODES: My hon. friend's argument would have force if we were putting on a duty, but as a matter of fact we are taking off a duty and putting the article on the free list. For that reason I cannot follow him at all.

Mr. RALSTON: I am calling my hon. friend's attention to a new principle which was introduced into the Canadian tariff last year and which was received with great acclaim by hon. members opposite. The Prime Minister boasted of it a great deal. The effect was that although the government was going to raise duties they would protect the consumer. I am pointing out that the government are now creating in Canada an absolute monopoly for British empire producers on this particular brand of steel. There is the difference between free and 12½ per cent in favour of the British producer. The foreign producer has no chance at all. Having given that monopoly will the minister be as careful to see that the consumer is not exploited as he said he would be to see that the Canadian manufacturer does not exploit the consumer, by putting on the penalty of imposing a duty in case advantage is taken of the 12½ per cent rate? It seems to me that is a fair question and the minister ought to answer it.

Mr. RHODES: I understand it all right, but I am not attempting in a multitude of words to discuss my understanding for the purpose of burying the real kernel of the matter. Surely my hon. friend does not suggest that a duty of 12½ per cent creates a monopoly in Canada. If he does, I can only say that for years he supported tariffs of 30 to 35 per cent.

Mr. RALSTON: You cannot get away with that.

Mr. RHODES: If a 12½ per cent duty creates a monopoly, what does a 30 per cent duty create?

Mr. MALCOLM: That is not the point.

Mr. RHODES: I will not submit to the suggestion that because my hon. friend lays down the premise that a 12½ per cent duty creates a monopoly, it therefore does. I do not subscribe to that at all.

Mr. RALSTON: Is this any check on the British manufacturer? We have no manufacturers of this commodity in Canada; therefore there are only two places from which it can come, namely, the world in general and the British Empire in particular.

The CHAIRMAN: The discussion is out of order because the item has been passed.

Mr. MACKENZIE (Vancouver): Take the next item; the same matter comes up again.

Item agreed to.

Customs tariff—382a. Band steel, hot rolled, ·080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. RALSTON: I shall make my point on this item; it will do me just as well. Here we have a case where the British preference was previously 7½ per cent, and still remains that way. But we have the intermediate and general tariffs increased from 12 per cent to 15 per cent. That means that we are giving to the British manufacturer a spread or a shelter of 7½ per cent. In view of the principle which was laid down for Canadian manufacturers and to which the government subscribed, I am asking my hon. friend if the government have considered, or will consider, or if they have made any arrangement whereby, if the British manufacturer instead of simply bringing in his goods at the regular reasonable price, plus 7½ per cent, puts on another 2½ per cent, or another 5 per cent, but still manages to come in under his American competitor—whether the minister will take into consideration the striking out of the duty which really protects the British manufacturer?

Mr. RHODES: If my hon. friend thinks I am going to place myself in the position of stating that this government will police the prices of individual commodities and pursue them in small units down to the last consumer, I may say to him that he is entirely mistaken. The only answer that I propose to give is that if the British producer does not sell the commodity at a reasonable price he cannot expect to get the business or to keep it.

Mr. RALSTON: He has a shelter of 7½ per cent to enable him to do it. If my hon. friend means he is not going to police the price to the consumer then I take it to be true that section 17 of the Customs Tariff means nothing; he is not going to police the price so far as the Canadian manufacturer is concerned, therefore the protection we supposedly had is gone.

Item agreed to.

Customs tariff—ex 382b. Band steel, hot rolled, more than ·080 inch in thickness, n.o.p.: British preferential tariff, $4 per ton; intermediate tariff, $8 per ton; general tariff, $8 per ton.

Mr. MACKENZIE (Vancouver): How much is imported from Great Britain, and what are the total imports?

Mr. RHODES: I gave the figures some time ago but was mistaken as to the item. The total import amounted to $235,000, of which $1,000 came from the United Kingdom, $213,000 from the United States, and $20,000 from Belgium.

Mr. MALCOLM: Can the minister give the average value of this commodity, so that we know what the specific duty would be as an ad valorem duty?

Mr. RHODES: I am advised that the ordinary commercial forms would run between $35 and $40 a ton.

Mr. MALCOLM: This class of steel is rolled in Canada, is it not?

Mr. RHODES: To a certain limited extent; if it is thick enough to be a bar it may be produced in Canada, but in the thinner forms I am told that it is not.

Mr. MACKENZIE (Vancouver): According to the minister's own figures, only $1,000 worth was imported from Great Britain, which would be about 18 tons. There is a preference to Great Britain of 25 cents a ton, so that the total preference would be $4.50. When you study the figures and find that of total imports of $235,000 only $1,000 came from Great Britain, and then observe the change in the intermediate from $6 to $8 per ton and in the general from $7 to $8, it is a tremendous increase.

Mr. RHODES: This is one of the items upon which the British representatives laid particular stress, and apparently they were quite satisfied.

Mr. MACKENZIE (Vancouver): But on the basis of last year's imports it gives them a preference of only $4.50 on the total.

Mr. RHODES: Quite so, but they have the preference as against $8 in the intermediate and $8 in the general.

Mr. MACKENZIE KING: The Minister of Finance keeps talking about the British representatives being satisfied. I should think they ought to be, and I should think the Canadian manufacturers ought to be satisfied, because together they have been given a monopoly of the British empire on iron and steel—that is what it means. They could not ask for much more. But why does the minister not speak in terms of the Canadian consumers, the people of Canada who have to buy these materials and who use the articles into which in part they enter? No item could better illustrate what I have been pointing out. that under the pretext of doing something for British trade the present administration is really seeking to raise tariffs to create monopolies for special interests in the British Empire, and to exclude the foreigner. Let me illustrate. The present British preference on this item, $4.25 per ton, has been lowered to $4. Twenty-five cents per ton is the extent of the reduction in favour of Great Britain. Look at what has taken place in the matter of tariff increase. The general tariff has been increased from $7 to $8 per ton and the intermediate from $6 to $8 per ton, an increase of $1 and $2 respectively, and there is a reduction of only 25 cents in the British preferential rate. As was pointed out, only 18 tons came into Canada from Great Britain in an entire year; all the rest were entered under the intermediate or general tariff. Nothing could make it clearer that the whole purpose is to help privileged interests in the monopoly which has been given them by the government.

Mr. RHODES: I take exception to my right hon. friend's attempting to place us in the position of having forgotten the consumer. We have not for one moment lost sight of the consumer. But when I replied to the hon. gentleman opposite by saying that this is an item in which the British government took particular interest, and that they were satisfied when they entered into the agreement, I was dealing with it only in respect to the agreement. My right hon. friend suggests that to offer a reduction of 25 cents a ton is a very small concession. Let me say that if it is only 25 cents, it is 25 cents lower than was provided by my hon. friends in the Dunning budget, which he lauds so frequently. Furthermore, when he criticizes the increase in the intermediate tariff by $2 and in the general tariff by $1, may I point out that these increases are far smaller than those given in the items I mentioned this afternoon from the Dunning budget. It does not lie in the mouth of my right hon. friend, therefore, to criticize these items. I assure my hon. friends that it is my hope that the consumers in Canada will derive substantial benefit as a result—

An hon. MEMBER: Of the extra prices they have to pay.

Mr. RHODES: —of the benefits which will accrue to them in the working out of these agreements, in the prices of various commodities.

Mr. MALCOLM: I think, however, the Minister of Finance will admit that this whole discussion has arisen largely on account of his original statement that manufacturers of steel in Canada and Great Britain met and discussed and decided which items could best be made in Canada and which could best be made in the United Kingdom. In other words the whole business of the empire was divided among the manufacturers in the empire. The rate on this particular class of steel was $4.25 per ton under the previous budget, and the spread between the British preferential rate and the intermediate rate was $1.75. So the only preference the British manufacturer was given in this market was $1.75. He could not raise his price more than $1.75 without coming into competition with Belgium and the United States. The minister must see that, this agreement being for five years, and it being stated that the differential must be maintained, the British manufacturer who has been given the trade in this specific item, apparently by common consent, can if he so chooses, and if the minister does not wish to take advantage of his power under section 17 of the Customs Tariff, ride up to $1.50 or $2 a ton more than normal price, because the market is his. If the goods were made in Canada to any substantial extent, which the minister says they are not, of course Canadian competition might control the price. The minister has given us the figures, and none of this steel came into Canada from Great Britain under the existing tariff of $4.25 as against $6 intermediate, while $213,000 worth came in from the United States, and $20,000 from Belgium. The spread which is now created between $4 and $8 must of necessity be used, or there will be no diversion of this trade from the United States to Great Britain. If the British manufacturers could not get the business with a spread of $1.75, they naturally would ask for a greater preference. The minister has given them a $4

preference. There is nothing in this act, unless as the hon. member for Shelburne-Yarmouth (Mr. Ralston), says, the government take full advantage of section 17 of the Customs Tariff; to prevent the British manufacturers from riding as close to the cost from Belgium or the United States as possible. Then we ask, is the minister going to take advantage of section 17 of the act, which the Prime Minister said he will use to control the prices of the Canadian manufacturer? That is the question. You have apportioned certain items to British industries by common consent; you have agreed that the trade in certain classes of hoop and band steel and cold rolled steel which are not made in Canada in large quantities shall be given to the British manufacturer. That is splendid, if he can get the goods at world prices. But what is to prevent the abuse of the $4 preference? Is there anything in the act? Is the government going to take advantage of section 17? That is what we are asking the minister.

Mr. RHODES: I told my hon. friend from North Bruce (Mr. Malcolm), a little while ago that there was a limited quantity of this material produced in Canada in thicknesses that approximate bar steel. There is nothing to prevent Canadian manufacturers from producing—

Mr. MALCOLM: Nothing except the limited market.

Mr. RHODES: Quite so. But he can be very sure that if there is an attempt on the part of the British manufacturer to ride up, as he says, to the height which the increased preference gives him he will find competition arising on the part of the Canadian producer. It is not long since I heard my hon. friend discuss the question of protection along general lines, and I must say that in large measure I subscribe to his point of view. He pointed out that the most dangerous thing that could be done would be to have a tariff too high, which would create that fierce competition. I am not saying this tariff is that high; I am not in a position to say that, but certainly if it is at a profitable height he will find that the Canadian producer will create that competition which will take care of any such condition which might arise.

Mr. MALCOLM: I think the minister will agree that when I made the remarks to which he refers I did say that when fierce competition existed the result was monopoly. We are at that point now in the steel industry, because my hon. friend admits the meeting of all the manufacturers of steel in the British Empire for the purpose of dividing the market in this country.

Mr. CANTLEY: No.

Mr. MALCOLM: I am only taking the statement of the minister, who said the empire steel men did have a conference and did divide up the market. That may work to the benefit of the consumer if we get world prices, but the hon. member for Shelburne-Yarmouth complimented the minister and the government on section 17 of the Customs Tariff, by which the government said they would not allow the consumer to be exploited. I think section 17 of the act does provide a remedy, provided the government wish to put it into effect, whether the exploitation be by monopoly or otherwise. But the hon. member for Shelburne-Yarmouth has a right to point out that if the Canadian manufaucturer is to be regulated by that section, when a certain line of business is given to the British manufacturer that manufacturer should also be regulated by the same section. I think that is the point.

Mr. RHODES: I can only give one answer to my hon. friend, and it may not satisfy him. Let me assure him that as far as I am concerned personally I am prepared to stand or fall, as to the merits of this agreement, by the acid test of whether, in its working out, a situation such as he refers to will arise.

Item agreed to.

Customs tariff—382c. Strip steel, cold rolled or cold drawn, ·080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. RHODES: This is the same material, except that it is cold rolled. Last year the importations under this item were valued at $284,000, of which $18,000 came from the United Kingdom, $235,000 from the United States and $12,000 from Sweden.

Mr. MACKENZIE (Vancouver): What is the Canadian production under this item?

Mr. RHODES: There is only one producer in Canada; the production is not separately classified, and I cannot give the figures.

Mr. ILSLEY: Is this the steel from which skates are made?

Mr. RHODES: I am advised that certain very fine qualities of steel coming under this specification would make skates.

Mr. ILSLEY: As I understand it, the situation is that after this schedule is put into force there will be no importations from Great Britain. There are practically no importations from Great Britain now, as the figures given by the minister show, and with these duties in force it will be practically impossible for that class of steel to be brought in from the United Kingdom. The importations will continue from the United States. Some, however, will be produced in Canada; one company in Canada is making this kind of steel now. By the imposition of this additional protection against United States competition, and a degree of protection against British competition which makes importations impracticable, that company hopes to increase its sale of this steel in the Dominion of Canada. I am credibly informed by those who know that the result will be an additional heavy burden upon the skate manufacturers.

The criticism of the schedule that readily suggests itself to any member of this committee is that when you get schedules arrived at by agreement between primary manufacturers of steel products without taking into account the interests of the secondary manufacturers, you get a result such as we have in this schedule. It does not stop there, of course; it goes on to the ultimate consumer. I am not acquainted with the steel business; if the minister can point out any respect in which my predictions are not based upon fact I shall be very glad to have the explanation, but that is the story as I get it from those who should know.

Mr. RHODES: My hon. friend from Pictou has had a wide experience in steel, and he tells me that skates are not made from cold rolled steel. But whether or not that is so is beside the question so far as the argument of my hon. friend is concerned. I am prepared to deal with that argument on its merits so far as I can. In connection with the export of skates, the skate manufacturer receives a 40 per cent drawback, even in connection with home consumption. Assuming that the manufacturer purchases in the United States the amount of steel necessary, the amount involved would be only six-tenths of five per cent, so I do not think the fears of my hon. friend will be realized in practice.

Mr. ILSLEY: Where does the minister get the five per cent?

Mr. RHODES: The general tariff is increased from 15 per cent to 20 per cent, so that the addition will be only six-tenths of five per cent. I do not think for a moment that this will have the alarming result which my hon. friend apparently foresees.

[Mr. Rhodes.]

Mr. CANTLEY: My hon. friend from Hants-Kings has a little knowledge which leads him astray. I rolled thousands of tons of skate steel for the skate manufacturing company in Dartmouth, and I have yet to learn that any considerable quantity of the skates made there are made from cold rolled steel. As the minister pointed out, under the tariff the difference is a mere bagatelle.

Mr. ILSLEY: I am amply repaid for my interest in this particular item by having got the hon. member for Pictou upon his feet. Despite the fact that he has at times gone out of his way to make some very harsh remarks about myself, I have always paid him the tribute of being the outstanding authority on the steel business in this house. I would like to point out to the hon. member and to the minister that before I made any remarks about skate steel I asked the minister if the steel mentioned in this particular item went into the manufacture of skates and he replied that that was true to some extent. The argument I made was predicated upon that statement, not upon any alleged knowledge on my part of the steel or skate business. If there is another item in this tariff covering steel for this purpose, then the argument I made in reference to this item will apply to it.

Mr. RHODES: Quite so.

Mr. ILSLEY: Whatever the number of the item is, there has been an increase in the intermediate and general rates from 15 to about 20 per cent, and a preservation of the British preferential rate at about 7½ per cent. The argument which I have made has not been shaken in the slightest degree by the somewhat acid observations of the hon. member for Pictou or by the remarks of the minister. My argument is that when you get a division of the territory and the formation of a tariff schedule by the manufacturers of primary steel products in this country and Great Britain it is inevitable that the secondary manufacturers and, of course, the ultimate consumer, will have to pay an increased price. You will have injustices, you will have monopolies, you will have bad results all along the line.

Item agreed to.

Customs tariff—383. Sheets, plates, hoop, band or strip, of iron or steel:

(a) Coated with tin, of a class or kind not made in Canada, n.o.p.: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

(b) Coated with tin, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.
(c) Coated with zinc, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. RALSTON: Will the minister give the value of the importations under these three items, and the Canadian production?

Mr. RHODES: Under 383(a), the imports last year were valued at $33,000, of which $27,000 came from the United Kingdom and $6,000 from the United States. There was no Canadian production as this is of a class or kind not made in Canada. The imports under 383(b) last year were valued at $3,252,000, of which $3,046,000 came from the United Kingdom and $206,000 from the United States.

Mr. CANTLEY: That is ordinary tinplate.

Mr. RALSTON: What was the production in Canada.

Mr. RHODES: There is only one producer in Canada and we have no statistics of his production.

Mr. RALSTON: Has the minister any idea of the number of employees and the value of the tonnage produced?

Mr. RHODES: I cannot give my hon. friend any figures. The only producer of this article is a branch of a large industry in the United States, the United States Steel Corporation, at Ojibway.

Mr. RALSTON: I understand that the production is very small compared with the importations.

Mr. RHODES: I have no figures, so I cannot enlighten my hon. friend. Under 383 (c), the imports last year were valued at $915,000, of which $541,000 came from the United Kingdom, and $365,000 from the United States. The production in Canada was valued at $4,180,000.

Mr. RALSTON: I intend to refer particularly to 383 (b), coated with tin, n.o.p. I am not absolutely sure but I believe this is the commodity out of which most of the cans for canned goods are made.

Mr. STEVENS: Ordinary tin-plate.

Mr. RALSTON: I would point out to the committee that the changes in this item serve to emphasize the point which I have been trying to make and which has been made most effectively by the hon. member for North Bruce (Mr. Malcolm), namely, that an opportunity is now being given to the British manufacturer to take advantage of a spread of 20 per cent. This can be added to his cost of production which will increase the price to the Canadian consumer under the guise of an imperial preference. I submit that this item indicates the absolute necessity of the government taking some steps—I think this might be done under the statute—to see that the Canadian consumer is not penalized by these changes. As the hon. member for North Bruce has said, the British manufacturer can ride along behind this 20 per cent tariff and add 17½ per cent or 18 per cent to his cost price, which even with the freight and other expenses will enable him to undersell goods from the United States. I submit that this is a striking illustration of how the cost to the consumer can be increased. This article is used extensively all over the country by fruit canners, fish canners and those engaged generally in the canning industry.

Mr. STEVENS: My hon. friend has again asserted this doctrine in connection with this item, but there is a very definite and I think conclusive answer to his fears. As he states, tin-plate is used very largely in the canning of fish, fruits and vegetables, and lobsters and salmon.

Mr. RALSTON: Lobsters are supposed to be fish.

Mr. STEVENS: I will pause here to give my hon. friend the benefit of the knowledge of a student in Oxford university. He was asked what a lobster was and he said it was an animal, that it was red and that it went backwards. The professor said that that was a very good answer only it was not an animal, it did not go backwards and it was not red. I might apply that to the argument of my hon. friend, but that is just an aside. The fact is that tin-plate is used I think most extensively in the canning of salmon, then in the canning of lobsters and then in the canning of fruits and vegetables. A very large proportion of these canned products are exported, in which case there is a drawback of 99 per cent of the duty paid as well as a drawback of the alleged or so-called dump duty. I trust that this information will dispel the fears of my hon. friend.

Mr. RALSTON: How does a drawback apply when the article comes in free?

Mr. STEVENS: I was referring to importations under duty. In the case of Great Britain where the so-called dump or, as I prefer to call it, exchange adjustment duty applies—

Mr. YOUNG: Is there a drawback on that?

Mr. STEVENS: Yes.

Mr. RALSTON: This is an exchange adjustment duty, as my hon. friend prefers to call it, but I have been pointing out the difference between free and 20 per cent. There is no rebate when the article comes in free from Great Britain.

Mr. STEVENS: But my hon. friend surely sees the force of my answer.

Mr. RALSTON: No.

Mr. STEVENS: They can import the cans from the United States and get the 99 per cent drawback.

Mr. RALSTON: What I am pointing out is this: if the British manufacturer adds 7½ per cent to his price nobody gets a refund.

Mr. STEVENS: My hon. friend has not my point. Whether they get it in free or from the United States at 20 per cent, it makes no difference, because they get 99 per cent drawback on the portions exported.

Mr. RALSTON: Can the minister tell me the amount of production of the plant at Ojibway?

Mr. STEVENS: Yesterday, when my hon. friend was not present, that point was fully discussed. Under the practice followed by all governments in the disclosure of statistics, it has never been the custom to disclose statistics where only one firm is involved. The question is one of fairness.

Mr. RALSTON: It is very nice to be missed, and I am glad my hon. friend takes note when I am away; my absence evidently makes a difference. I am, however, glad to be present tonight. My hon. friend is unable to give me the amount of production at Ojibway?

Mr. STEVENS: Yes, for the reason stated.

Mr. RALSTON: Apart from exportation, a very large amount of canned goods is consumed in Canada by Canadians and they are being subjected to what I have been pointing out, namely, this possibility of advantage being taken of the 20 per cent duty against foreign tin-plate in favour of the British manufacturer. I still urge upon my hon. friend as strongly as I can the necessity for protecting the consumer in this particular instance.

Mr. MACKENZIE KING: Just by way of supplementing what the hon. member for Shelburne-Yarmouth said a few minutes ago about the possibility of the British manufacturer taking advantage of the changes in the schedule to increase the price to Canadian consumers, would the minister kindly note this point: let us take item 383:

(a) Coated with tin, of a class or kind not made in Canada, n.o.p.

This commodity is not made in Canada; it has to come from Britain. Under the British preference it is free at the present time and it was free formerly, but whereas the intermediate and general rates were formerly only five per cent, they have now been raised to 15 per cent. What is to prevent the British manufacturer from immediately increasing his prices to the extent of the difference between the five per cent and the 15 per cent or increasing his price to the 15 per cent limit? There is nothing whatever to prevent him from doing that. The point, however, which I want to bring out at the moment, and which I do not think has been brought out as yet, makes the situation even worse. It is this: Under this agreement we have tied ourselves to abide for five years by the increased price which may be levied. What applies to this item applies to every case where there is a margin of preference. In other words, once the British manufacturer has seen his chance of increasing his price and has shoved it up to the limit of his opportunity, not only is there no redress by way of taking from him any benefit he may derive from any duty, because the item is free under the British preference; he actually can laugh at the Canadian government and people and say: Your government has agreed that you will be bound for five years by the margin of preference which has been fixed and you cannot alter that margin. And that margin in this case would give him 15 per cent, which is the rate under general and intermediate tariffs.

Let us take the next part of the item: "(b) Coated with tin, n.o.p." This is free under the British preference, and the rate under both intermediate and general tariffs is to be 20 per cent. Hon. gentlemen opposite tell us that for five years to come we cannot change the duty; we are in honour bound to maintain it. They cannot deny that the British manufacturer may immediately raise his price right up to the point where he begins to feel competition from abroad over either the general or intermediate tariff, because they are now made the same. Then when a protest comes from the Canadian government or the consumers generally, he will simply answer: We told you all about this matter; this is part of the arrangement; you left it to those of us who wished to make an empire

monopoly of the iron and steel industry to carve the thing up in the way which would suit ourselves best; then you introduced legislation which would implement what we suggested in a manner which would make it binding upon Canada for the next five years. This is very serious. What I am pointing out is true of every single item in this entire tariff schedule where the rate is free so far as the British preferential is concerned and where there is a certain rate of duty for the intermediate and general tariffs and only as a lesser degree wherever a preference is given.

Mr. STEVENS: Every word, every argument that the right hon. gentleman has made now and for the last few hours on this point was applicable during all the years past when he was in office and when previous governments were in office.

Mr. MACKENZIE KING: How could that be? The tariff is now 15 per cent when it was formerly five per cent, and the government have tied us up for five years.

Mr. STEVENS: These rates have been in effect for ten, twenty years.

Mr. MACKENZIE KING: They could be changed each year; they might have been changed any year.

Mr. STEVENS: The right hon. gentleman says in effect that where you have a spread between the British preferential and the intermediate of 10, 15, or 20 per cent, there is a danger of the British manufacturer taking full advantage of that and penalizing the Canadian consumer. That has applied ever since 1897 when the British preference was introduced; it applied then just as much as it does now. It applies to a much greater extent, I might say, under the Dunning budget.

Let me come specifically to the two items with which the right hon. gentleman has been dealing. The first item:

Coated with tin, of a class or kind not made in Canada.

This is free from Great Britain and 15 per cent under the intermediate and general tariffs. The facts are these: there are twelve or more companies in Great Britain rolling that class of commodity. There are five large concerns, all competitors in this market. This has been going on for years. It is true that we have increased the intermediate and general tariffs under this item to 15 per cent, but you can take the next item where the spread for years has been more than 15 per cent, and nothing has been said about it. The possibility does not arise any more now than it did then. You have first the fact of competition; that is one thing. Let us take the second item to which my right hon. friend refers and about which he is very much alarmed. Previously the rates were: British preferential, 7½ per cent; intermediate, 12 per cent, and general, 15 per cent. We have taken off the 7½ per cent and made it free so as to let British competitive business enter Canada free. Now my right hon. friend says that what will happen is that these iniquitous British manufacturers will take advantage of the full amount of the tariff up to 20 per cent. I am reminded that this steel business, as I have already intimated, is the most heavily competitive business there is in Great Britain.

Mr. MALCOLM: What is more competitive than coal?

Mr. STEVENS: I would say it is equally competitive.

Mr. MALCOLM: What is the situation with regard to coal? One concern in Canada has all the business.

Mr. STEVENS: No, it has not. I was talking this afternoon to one of the biggest coal producers in England who is here on business, who markets his coal through other sources than the one at which my hon. friend has hinted. But, coming back to the iron and steel business, I do not think I need hesitate to give the name of an authority. I refer to Mr. Frater Taylor, who is one of the most competent authorities in Great Britain, a gentleman formerly resident in this country. I was talking to him a few months ago and he described to me the competitive nature of the iron and steel business of Great Britain. In fact, it has been so competitive that it has driven a great deal of the British business off the world market because of its internal competition, the cutting of prices and the ruination of some of the plants. Now, many of these plants and industries are improving under present conditions that obtain in Great Britain; their export business is improving considerably, and I can assure the right hon. gentleman and the committee we shall have here ample competition to obviate any fear that may arise in my right hon. friend's mind on account of the present rate.

Mr. MACKENZIE KING: No one knows better than my hon. friend that the whole trend of business has been towards consolidations and combinations, and nothing leads to combinations and consolidations more than tariffs. We have never heretofore had anything comparable to this attempt to create an

empire monopoly in a particular industry. While there may have been at the time the conference was meeting here competition between certain concerns in one industry in Britain, after these gentlemen had all met together around one table and had agreed what they were going to do, there was no guarantee that that element of competition was going to be maintained to the same degree for the next five years. The minister says that it has not happened before that advantage has been taken of the tariff to raise prices to the extent that we are now raising the tariff, and for the reason that there has always been hanging over the heads of those concerned the certainty or the probability that in cases of the kind at the very next session of parliament the tariffs would be changed, and there has also been authority in our own tariff whereby when combinations do exist and enhance prices the government may take the initiative in lowering or removing the tariff duties. The government have told us the way in which they intend to protect Canadian consumers when they find that advantage is being taken of the tariff. They are going to alter the tariff. But that remedy cannot apply with respect to the commodities in this schedule, because there is no tariff to remove. That is the serious part of it, and not only is there no tariff to remove, but what is more serious still the government have tied themselves and the country into a position where no action can be taken for five years to come. In the normal way parliament would act by impliedly threatening these gentlemen that if they attempted monopolistic prices or the undue raising of prices the tariffs would be lowered. That is no longer possible. I do not wonder that we have been told over and over again that these British representatives went home pleased with what they had accomplished. They ought to be mighty well pleased, for they not only got a monopoly for five years, but a monopoly in such a form that they can put their prices up just to the point at which the tariff stands and have it maintained there.

It will also be observed that these tariff duties have been materially raised over the former tariffs. The former tariff of 5 per cent has been raised to 15 per cent in one instance, and in another instance the tariff of 12½ per cent has been raised to 20 per cent. You now have the position in regard to two classes of commodities coming in under this very item that they will come in in each instance free of duty under the British preference, and this parliament is bound for the next five years not to remove the duty on the general tariff, which in one case is as high as 15 per cent and in the other 20 per cent, against all the other countries of the world, and then no matter how much advantage may be taken by British manufacturers of that protective feature to raise their prices. I do not believe that anything could possibly be worse.

Mr. SPEAKMAN: I have been listening with intense interest to learn something about the steel industry. I notice that one question in respect to one of these items has not been answered in spite of the extensive and intensive discussion. I think it is 383. It is that item under which the importation is almost wholly from Great Britain, over $1,000,000, the importations from other countries being so small and insignificant that they might well be ignored. The question I wanted to ask was why have the intermediate and general tariffs been raised substantially on this item? It could not have been to divert trade to Great Britain, because Great Britain already has practically the whole trade. Why were the intermediate and general tariffs raised unless it was for the purpose of permitting a price increase, as was suggested by the leader of the opposition and his friends? While listening to the discussion with a great deal of sympathy, I was sorry that that point was not answered and no explanation given.

Mr. STEVENS: Up until about a year ago Great Britain had lost its tin-plate industry to the United States. It is a long and complicated story and I am not going into it in any detail, but during the past year Great Britain has been winning that business back. It is one of those items on which we can do Great Britain a distinct benefit and our own consumers certainly no harm, because I have been in close touch myself during the last few months with the big consumers of tin-plate in this country—the canners—and I assure the committee that the canners of Canada are delighted to have this tin-plate coming in free from Great Britain. Great Britain is capable of supplying this market, and this is one of the big pieces of trade we can give to her, a trade which historically has been Britain's, but which through circumstances which I shall not now analyze she lost three or four years ago to the United States. We believe that by this action, this trade may be kept to Great Britain. I assure the committee that there is no need to fear that the tin-plate manufacturers will penalize this market.

Mr. SPEAKMAN: I do not think it is necessary for me to assure the minister that

I was asking purely for information, and I certainly hope the result will be what it should be. The placing of any article on the free list certainly should not raise the price. My only curiosity was as to why the question was not answered and why the intermediate and general tariffs should be raised when Great Britain already had the entire trade. I gather it is to guard against the possibility in coming years of some foreign manufacturers flooding our market with these goods at unfair prices and thus putting the British manufacturer out of business. I hope that that is the reason, and that the effect of these new duties will be as we all hope it will be, to lower prices to the consumer.

Mr. MACKENZIE KING: Mr. Chairman, have we passed item 383, paragraph (c)?

Mr. STEVENS: We took them all together.

Mr. RHODES: They were all called together, but there is no objection to further discussion.

Mr. MACKENZIE KING: There is one feature common to all these last six items we have been discussing, and that is that in every case the intermediate tariff has been made the same as the general tariff. I need not read them all, as they appear in the schedule attached to the bill, but in all of these cases the intermediate has been made the same as the general tariff, although as the tariff previously stood that was the case in only two of these six items. The effect of that is that while we have tied ourselves to maintain these high rates for five years we are also making it impossible in that period of time to benefit by the difference between the intermediate and general tariffs in negotiating an arrangement with any other country which might help to offset the ill effects of the monopoly which is being created in this manner. The more one probes into this thing the more vicious it appears at every turn. It could not possibly be worse.

Item agreed to.

Customs tariff—385. Sheets, plates, hoop, band or strip, of rust, acid or heat resisting steels, hot rolled, valued at not less than five cents per pound: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. SPEAKMAN: I am in entire agreement with the leader of the opposition on the point he last raised. In my opinion it is the worst feature of these schedules that we have destroyed the intermediate tariff by making it equal to the general tariff, and to the extent that we have done this in all these items we have destroyed our power to receive and retain special treatment from other countries in return. To my mind that is a very unfortunate feature.

Mr. MACKENZIE KING: What the hon. member has said applies not only to this item, but to sixty or more of them.

Mr. SPEAKMAN: I am not speaking of only six items, but of all the items in the agreement.

Item agreed to.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Item 386 is next.

Mr. MACKENZIE KING: No, 385a.

Mr. STEVENS: Please follow the bill.

The CHAIRMAN (Mr. MacDonald, Cape Breton): We have now reached item 386.

Customs tariff—386. Sheets, plates, hoop, band or strip, of iron or steel, as hereunder defined, under regulations prescribed by the minister:—

(a) Plates, when imported by manufacturers for use exclusively in the manufacture or repair of the pressure parts of boilers, pulp digesters, steam accumulators and vessels for the refining of oil, in their own factories, per ton: British preferential tariff, free; intermediate tariff, $5; general tariff, $5.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I shall read subsection (m) later.

Mr. RHODES: Last year the imports under this item were valued at $184,000. Of that amount $41,000 worth came from the United Kingdom and $142,000 worth from the United States.

Mr. MACKENZIE KING: They were all free before; why was the change made?

Mr. RHODES: To give a preference. This was an item upon which Great Britain laid particular stress.

Mr. POULIOT: My remarks will be very brief, because I am speaking on a matter of principle. Now that there is a change of government in the United States why should we alienate the good will of our neighbours?

Mr. ROBINSON: How about the Hawley-Smoot tariff?

Mr. POULIOT: The Hawley-Smoot tariff was passed by the administration which the Prime Minister, with his scheme of waterways, has tried to support. Perhaps he was the best canvasser outside the United States for the Hoover administration. Now that that administration has been defeated we have to

view matters from another angle. I am sorry to speak in that way, but as a Canadian it is my duty to do so. We are sorry to see trade continually decreasing, and for the sake of the people of Canada who are in very bad circumstances on account of decreased trade, I make these few remarks. Are we to continue our trade decrease? That is the whole matter. I believe it is my duty to voice a protest, in the hope that better times will follow in due course.

Mr. RHODES: With regard to the remarks of the hon. member for Témiscouata, may I point out that it is hardly correct to say that there has been a change of government in the United States. True, there has been an election, but so far there has been no change of government.

Mr. MACKENZIE (Vancouver): But, like this government, it will change very soon.

Mr. RHODES: If there is one country in the world which has always taken the stand —and I am not finding fault with it—that tariffs are matters peculiarly of their own concern, it is the United States. I am sure it is the last country in the world which could take exception to any tariff legislation we may wish to pass, whether it affects them directly or indirectly.

Mr. POULIOT: To a certain extent I agree with what the minister has said. To his comments concerning the actual administration of the United States I cannot take exception. But every one in this country and in the world knows that President Hoover started a tariff war, and his example was followed by European countries. His experiment proved to be detrimental to Canada, nevertheless we know that his endorser in this part of the world was the Prime Minister of Canada.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Is the hon. member speaking to the item in question?

Mr. POULIOT: Yes, I think I am, and I shall state why: I am speaking of the effect a certain policy has had on the trade of this country.

Mr. MACKENZIE (Vancouver): Vicious protection.

Mr. POULIOT: Yes, as the hon. member has said, it has been a policy of vicious protection. The important point is that we are on the wrong road. Extreme protection was originated by President Hoover. He took that course because he believed himself to be one of the saviours of the world.

[Mr. Pouliot.]

The CHAIRMAN (Mr. MacDonald, Cape Breton): I do not think the hon. member is directing his remarks to item 386. Is he coming to it?

Mr. POULIOT: No, I am not coming to it; I am adding to it. I am against it. I cannot see what beneficial results can accrue from this change in tariff. I am speaking generally, and have chosen to make some statements on this item. I should like to express my views in the matter once and for all.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I am thankful to hear the hon. members applaud, because it proves that they are listening. If they will listen I shall try to convert them, although I realize I have a very difficult task. I desire only to refer to some of the results of the movement towards general increase in tariffs which gained momentum three or four years ago. At that time President Hoover said he was protecting everybody; in fact he used the same language that our Prime Minister used afterward. What has been the result? There has been a depression in the United States and, under a similar policy, a depression in Canada, which is becoming worse from day to day. This is my protest, and I hope, Mr. Chairman, that you will record or register it.

Mr. MACKENZIE KING: May I ask the Minister of Finance whether in the resolutions which he has placed before the house there are items which do not appear in schedule E of the bill, but which relate to the matter we are now discussing?

Mr. RHODES: The items do not relate to the agreement as such, but they make the necessary adjustments in view of the fact that certain items have been split up and others have been taken out of the general list. They are what might be termed consequential items, and are introduced to bring our tariff in line with the conference alterations.

Mr. MACKENZIE KING: In item 386 as it appears in the bill there are two special items, namely (a) and (m). The part marked (m) is subdivided into parts (i) and (ii). In the resolutions which my hon. friend laid on the table there are, in addition, items 386 (p) and 386 (q) which do not appear in schedule E to the agreement. Do I understand from him that these last two are simply what he terms consequential or readjusting items?

Mr. RHODES: Yes. As a matter of fact the particular items to which the right hon. gentleman has referred have been dealt with previously tonight.

Mr. MALCOLM: What is meant by the expression "under regulations prescribed by the minister" as it appears in the main part of item 386?

Mr. RHODES: That wording is in the parent item at the present time. Its purpose is to enable the Minister of National Revenue to impose regulations should he deem it necessary so to do.

Mr. MALCOLM: What regulations would be needed in connection with this item that are not needed in others?

Mr. RHODES: These regulations are laid down prescribing the method of entry and the declaration forms which are necessary in respect of goods for particular use. This is a matter concerning administration with which I am not personally very familiar, but I am told the practice has been followed for several years.

Mr. MALCOLM: Does it apply to other items?

Mr. RHODES: Yes, to quite a number of them.

Mr. MALCOLM: It seems rather strange.

Mr. RHODES: No; this is not new, it was in the old item.

Mr. MALCOLM: While the minister's explanation is fairly satisfactory I hardly see why it should be in here and not in some other comparable items. Item (a) of 386 would appear to me to be almost a repair item, dealing with:

(a) Plates, when imported by manufacturers for use exclusively in the manufacture or repair of the pressure parts of boilers, pulp digesters, steam accumulators and vessels for the refining of oil, in their own factories.

Free from Great Britain. I may be mistaken, but I should judge that for the type of oil refining and paper manufacturing machinery for which these plates may be imported free from Great Britain, but are dutiable to the extent of $5 a ton from the United States, they would always come from the people in the United States who made the original machines. The minister pointed out that the sum total of imports of this class was only $114,000, and that practically all of it came from the United States. The item has been free in all columns until the present. I hardly think this change is going to be of any great help to British manufacturers. I think the manufacturers who have to import these plates to repair machinery will just pay the tax of $5 a ton.

Mr. RHODES: These two items are taken from the parent item No. 386 in our tariff, which reads as follows:

Sheets, plates, hoop, band or strip, of iron or steel, as hereunder defined, under regulations prescribed by the minister.

That is the heading of the article. I am informed that it has been in the tariff for many years. My hon. friend if he had before him the item would observe that it covers almost three pages; it is subdivided under (a), (b), (c), (d), (e), down to (o). The first sub-item referred to here was in the original parent item as free, free, free, but it does not follow that the same applies throughout the subdivisions in the various columns, as I think my hon. friend had in mind; because the very next item carries a duty in the intermediate and general, and so do items (e), (f), (h), (k), (l), (m), (n), and (o).

Mr. RALSTON: One item of (m) is free.

Mr. RHODES: Quite so.

Mr. MACKENZIE KING: The minister will notice that in this item 386 (m) there are two divisions, (i) and (ii). Under the rate as it was prior to the conference, in each case the intermediate was 7½ per cent and the general tariff 10 per cent. Under the tariff as it now stands the intermediate in one case has been raised to 15 per cent and in the other to 20 per cent; and the general has been raised to 15 per cent in one case and to 20 per cent in the other. Will the minister tell us why, when they were both the same before, they are now different rates, in one case 15 and the other 20 per cent, as against 7½ and 10 per cent? Why were they not both made the same as they were before?

Mr. RHODES: They cover two different types of commodities.

Mr. MACKENZIE KING: They did before.

Mr. RHODES: Quite so. I am not in a position to give a definite answer, other than to say that these are what emerged as a result of the agreement between the British and Canadian representatives.

Mr. MACKENZIE KING: The minister's reply enables me to state what I am most anxious to bring out, namely, the contrast, as far as enlightening the House of Commons in respect to what it is doing in a matter of taxation is concerned, between this way of making tariffs and the way tariffs have been made hitherto. In the old days, as my hon. friend well knows, before a revision of the tariff was attempted there was something in the nature of a tariff commission appointed. It used to be composed of members of the administration, who went from one end of the country to the other, and if tariff changes were sought the parties desiring them were allowed to appear and make out their case. Other parties were also heard, the farmers were given opportunity to state their views, consumers generally were allowed to appear and state their views, with the result that when the government came to the House of Commons with its proposed tariff changes it was able to give the reasons why the tariffs were being fixed at particular rates. Later, when that practice was discontinued, there was established a tariff advisory board, and before that board parties likely to be affected by any change in the tariff were given opportunity to be heard; so that when the Minister of Finance was presenting his budget with its tariff changes he was in a position to say, not merely that one party in interest had been heard, but that all parties had been heard and given a chance to state how they would be affected by the changes.

Now my hon. friend tells us: This was agreed to at the conference. Let us follow that. The conference was a secret conclave, no one except the members of the administration who were present knows anything about what took place, or is supposed to know. In other words the public, the ones who are affected by what has taken place, have no knowledge whatever of the reasons which actuated the administration, and the administration is now unable to give reasons, beyond "this is what was agreed to." And, as the minister told us a few minutes ago, agreed to as a result of discussions between the manufacturing interests in the old country and the manufacturing industries in Canada, the special interests which are being given added favours. How the government can expect the people of the country to have any confidence in a tariff fashioned in that way I fail to see.

Mr. RHODES: With what my right hon. friend has said as to what is known as a revision of the tariff, that is the bringing down of a budget and dealing with tariff items therein, I am in entire accord. But my right hon. friend must realize that it is a far different matter when you are dealing with an agreement, as we are at the present time. Of necessity conferences have to be in secret. It would be unthinkable—I do not know that in all history it has ever been otherwise—that agreements should be entered into between one nation and another in any other manner. My right hon. friend must also bear in mind that it very frequently happens, I might almost say invariably, that in the course of negotiations a country will grant in respect to individual commodities more concessions than it would at first be disposed to agree to, and the other might do the same thing. In the final analysis, in order to bring about a meeting of minds, there is compromise. Therefore with respect to individual items such as the one in question, it is impossible for me to give my right hon. friend any other reply than I have given. I submit that on this point there is a distinct difference between tariff items which arise by reason of an agreement between nations, and tariff items which are dealt with in the ordinary way in respect of a budget. In the latter case the question which my right hon. friend asked would be susceptible of answer, because it would be the direct result of the government's action with respect to its particular policy. In the case of an agreement it might be—I do not say it is—that in respect to these items we might very well have desired to carry them at the same relative levels as they heretofore held, but as a result of the conference discussions this is what emerged as something upon which ultimately we all could agree.

Mr. MACKENZIE KING: May I say to my hon. friend—and I think he must admit it—that what we have before us at present is to all intents and purposes a budget. It is a very much larger tariff revision, I think, than has ever taken place in this house before. There may have been two others comparable in size, but really it is a very extensive revision of the tariff. If what had been done at the conference had been merely to increase the preference to Great Britain by the lowering of existing rates, leaving the intermediate and general tariffs where they were, I could see some force in what has just been said about arriving at an agreement in regard to the changes in the tariff. But it goes away beyond anything of that kind. This arrangement in-

creases the general and intermediate tariff on over 130 items, I think, and when you split them up as has been done in the schedule you can easily make two or three times that number. It is an increase in the intermediate and general tariffs on all those items—

Mr. RHODES: Not all.

Mr. MACKENZIE KING: On the 130 or more, yet in regard to all those increases there is no reason to be given as to why they are made, other than that it was agreed to by representatives of industries between representatives of the different governments, at a secret conference to which the public had no access at all. I think my hon. friend must see in his heart of hearts the weakness of his case.

Mr. RHODES: I rise to say only one word. I cannot add to the argument I made previously; it may be good or bad. I think it is good and absolutely sound, and I can tell my hon. friend that in my heart of hearts I believe the answer I have given is the only one I could give in the circumstances.

Mr. MALCOLM: I should like to ask my hon. friend if he is the minister referred to who prescribes the regulations, or it is the Minister of National Revenue.

Mr. RHODES: It is the Minister of National Revenue.

Mr. MALCOLM: I would feel a great deal more comfortable about it if it were my hon. friend. I think the Minister of Finance and the Minister of Trade and Commerce, both of whom are vitally interested in the questions of revenue and of trade, are sometimes defeated in their aims simply by the absurd regulations that are drawn up in the Department of National Revenue. Some of the benefits which are supposed to accrue under these treaties may be entirely nullified by regulations made in that department. If there is on disturbing factor in the busines world today it is that no importer knows under what rate he can import his goods. With reference to these regulations, if they are to be prescribed by the Department of National Revenue as it has been administered during the past year of two, I think the Minister of Finance should let us know what the regulations will be. This afternoon I pointed out one item which has been called to our attention; that was the importation of silk, in connection with which according to my information the regulations are defeating direct trade. I am quite sure that is not being done at the wish of the Minister of Trade and Commerce or of anyone else who wants direct trade with the countries with which we do business; it comes about simply because of a certain regulation which provides that if the goods come from the country in which they are produced the excise is collected on the par of exchange, while if they come from New York the excise is calculated on another amount, making it cheaper to bring the goods from New York than direct from the country of origin. There will be a number of regulations in the administration of these items, and I ask the Minister of National Revenue to take a little interest in the matter himself and not leave it entirely to a few officers in the department.

Mr. RHODES: It by no means follows that because this provision is in the act, as it has been for many years, any regulations have been or will be set up under it. Upon that point, however, I will make the necessary inquiries and advise my hon. friend at the next sitting of the committee.

Progress reported.

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

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## Thursday, November 17, 1932

The house met at three o'clock.

### UNEMPLOYMENT RELIEF

Mr. GORDON: I desire to lay on the table of the house certain orders in council passed pursuant to the relief measures.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### MORDEN, MAN., COAL CONTRACTS

Mr. BROWN:

1. Who was given the last contract for the supplying of coal for the public building and experimental farm at Morden, Manitoba?
2. At what price was the contract let?
3. Were tenders called for? If so, what were the names of those tendering?
4. Was the contract let to the lowest tenderer?

Mr. STEWART (Leeds):

1. Monarch Lumber Co., Morden, Man.

2. Public Building, $5.30 per ton; Experimental Farm, $9.20 per ton.

3. (a) Yes, by public advertisement; (b) Corona Lumber Yards, Ltd., Winnipeg and Morden; Jarvis Jickling, Morden, Monarch Lumber Co., Morden; J. P. Suderman, Morden; Deep Seam Coal Sales, Ltd., Winnipeg;

Deloraine Coal Mines, Ltd., Deloraine; McCabe Bros., Grain Co., Ltd., Winnipeg; Canadian Dinant Coal Co., Ltd., Dinant, Alta.; Coal Sellers Co., Ltd., Calgary, Alta.; Midland Coal Mining Co., Ltd., Midlandvale, Alta.; Superheat Coal Co., Ltd., Ardley, Alta.; United Coal Co., Drumheller, Alta.

4. Yes, to the lowest local tenderer for total requirements, suitability and calorific value considered.

*EASTERN PASSAGE, N.S., AIR STATION

Mr. ILSLEY:

1. (a) Are any seaplanes stationed at Eastern Passage, Halifax county, Nova Scotia, under the authority of the government or any department; (b) if so, how many; (c) if not, were any seaplanes stationed there since January 1, 1931, and how many, and for what period?

2. How many men are employed at Eastern Passage in connection with such planes, or with the station at which they are stationed, including pilots, observers, mechanics and watchmen?

3. Under the authority of what department or branch of the government's service do such men act?

4. What was the original cost of the planes which have been since January 1, 1931, or are now, stationed there?

5. What has been the cost of the maintenance of such station at Eastern Passage since the arrival of any planes there?

6. What has been the cost of transportation of planes, men and supplies to such station?

7. (a) How many government-owned motor cars are attached to such station; (b) how much did they cost, and what has been the cost of their maintenance and operation since their arrival there?

8. How many persons engaged in smuggling or rum running have been apprehended as a result of the presence at such station of such planes?

9. Has any property, smuggled or attempted to be smuggled, been seized as the result of the presence there of such planes? If so, what is its value?

Mr. BENNETT: The hon. gentleman, I see, is not in his place. This question touches on the administration of law and if the information sought were given, the effect would be to render to a very considerable extent nugatory the efforts that are being made in that connection. I would ask the hon. gentleman to reconsider his question, and as regards any information he may require, the files of the department might be made available for his personal perusal. There are certain questions which, if asked, would have the direct effect of lessening the possibility of enforcing the law, for the enforcement of which these steps have been taken. The expenditures of course, will all be covered in due course by the Auditor General's report.

Mr. SPEAKER: Stands.

[Mr. H. A. Stewart.]

*PREVENTIVE SERVICE BOATS

Mr. ILSLEY:

1. What preventive service boats which were in the service in 1931, were disposed of in 1932?

2. What was the age of each of such boats, and the reason for disposing of them respectively?

3. What disposition was made of each of the boats so disposed of, and in the case of those sold, what was the sale price?

4. What are the names of the boats acquired by the preventive service in 1932, and what is the age of each boat so acquired?

5. As to the boats so acquired, were they purchased, leased or how otherwise acquired, and in the case of those purchased, what were the purchase prices respectively?

6. Have any of the boats acquired this year been conditioned or repaired since being so acquired, and if so, what has been the cost of such conditioning or repairs of each?

Mr. BENNETT: The same answer to a lesser degree may apply to this question which, in any event, would have to be an order for return.

Mr. SPEAKER: Stands.

MOUNT-MURRAY, QUE, POST OFFICE

Mr. CASGRAIN:

1. Has any change been effected with respect to the location of the post office and the postmaster at Mount-Murray, in the county of Charlevoix?

2. Were any complaints made against the conduct of the postmaster?

3. If so, what was the nature of these complaints?

4. Who made these complaints?

5. Who was appointed postmaster at Mount-Murray recently?

6. By whom was appointee recommended?

Mr. SAUVE:

1. Yes.

2, 3 and 4. General complaints were received from Messrs. Philippe Bergeron, Gonzague Tremblay, Alfred Brisson, Cyrias Dufour, Raoul Lappointe, but departmental action was based on inspections made in February and September, 1932, which led to the discovery of serious irregularities.

5. Cyrias Dufour.

6. Antoine Cimon, of La Malbaie.

## MOTIONS FOR PAPERS

CHARTERED BANKS OF CANADA

Mr. COOTE:

For a copy of the return made by the chartered banks of Canada to the minister as required under subsection 2, section 91 of the Bank Act as on the last day of June, 1932.

DISMISSALS OF GASPE EMPLOYEES

Mr. GOBEIL:

For a return showing a list of the names of all employees of the federal government who

were dismissed in the county of Gaspe between October the 1st, 1926, and October the 1st, 1927, the said list to show: (a) the names of such employees; (b) the nature of employment; (c) the name of the person who recommended their dismissal; (d) the reason for their dismissal.

MOUNT-MURRAY, QUE., POSTMASTER

Mr. CASGRAIN:

For a copy of all letters, requests, correspondence, petitions, and other documents, exchanged between the Post Office Department at Ottawa and the Post Office Department at Quebec, with respect to the dismissal of the postmaster of Mount-Murray in the county of Charlevoix. Also a copy of all sworn or other statements dealing with the resignation of said postmaster, in the possession of the Post Office Department.

Mr. SPEAKER: Stand.

Mr. BENNETT: Before we leave this motion, I might make this observation: It has not been customary, so far as I have been able to ascertain, to provide for submission to the house of interdepartmental correspondence that results in executive action being taken. After the action is taken the minister must assume the responsibility and correspondence between him and various officials of his department resulting in his taking such action has not heretofore been regarded as a proper subject for a motion to lay before parliament. The minister must assume the responsibility. Those members of the house who are practising lawyers will realize that that distinction has been very clearly drawn by the court of last resort in Great Britain in dealing with the question of the production of documents.

Motion stands.

BRIGHT FAN INQUIRY

Mr. McINTOSH:

For a copy of all correspondence including letters, telegrams, radiograms and other documents exchanged between the Minister of Marine, and any of his officials or any other department of the government and any of its officials, and any other person, body, corporation or association, including the members of the Mellish Commission instituted to investigate the sinking of the British freighter Bright Fan in Hudson strait; also copy of the evidence adduced at said investigation as well as any letters, telegrams, radiograms and other documents made use of during the investigation but not included in the evidence.

Mr. BENNETT: This motion offends perhaps more than the previous one, because it asks for the production of letters, telegrams and radiograms that were exchanged between a minister and his officials in connection with a pending matter. This makes it quite clear that if it were in a court of law it would be a privileged communication. So far as the evidence is concerned it will be brought down in due course with the exhibits that were attached to it. With these exceptions the motions are in order, but as they now read, they transgress the general rules that have been adopted by this house in connection with the transaction of public business.

Mr. McINTOSH: May I ask the Prime Minister if the evidence will be forthcoming?

Mr. BENNETT: When it is concluded, it can be laid on the table.

Mr. SPEAKER: Will the hon. member allow the motion to stand for amendment?

Mr. McINTOSH: Yes.

Motion stands.

## WINNIPEG COKE SUPPLY

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I have a communication from a coal company in the city of Winnipeg with regard to the question of coke as manufactured by the Algoma Steel Corporation of Sault Ste. Marie. The communication, in part, is as follows:

> The coke previously sold in this market was an American product and there was a wide spread between the laid-down cost and the retail price. At the instance of a combine in western Canada, the Canadian Pacific is compelling us to make further shipments of Canadian coke through American ports and over American railroads in bond. A further fact is that the docks at Fort William have been refused to us, as set out in our attachments, with a view to preventing competition of coke with western coal.

I should like to ask the government if it will make inquiries with regard to this situation. It seems extraordinary that we cannot secure in Winnipeg the Algoma product.

Hon. W. A. GORDON (Minister of Labour): The question of finding markets for Canadian fuels has, as the hon. member well knows, been given considerable attention and has been the subject of investigation by both the late and the present governments. In a large measure the efforts have resulted in displacing foreign fuels in the competitive areas of Manitoba and generally in that province. Therefore, today I think I am fair in stating that probably 90 per cent of the fuel burned in that province—of course the percentage is subject to review; I may be overstating or understating it slightly—is supplied by coal from the western provinces.

With respect to the immediate subject matter of the interrogation by the hon. member for Winnipeg North Centre, I shall have the officers of the department inquire into it and see what is the true situation. If there is on anyone a hardship that can be remedied by governmental action, such action will be taken.

## VANCOUVER HARBOUR

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask either the Minister of Trade and Commerce or the Acting Minister of Marine a question in regard to a press dispatch in this morning's paper respecting the nature of harbour improvements in Vancouver? What is the exact nature of those improvements to be?

Hon. MAURICE DUPRE (Acting Minister of Marine): An order in council has been passed for expenditures in connection with the extension of Long Point pier and also an extension to the cold storage yard.

## OLD AGE PENSIONS

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): I should like to ask the Minister of Labour if it is his intention at this session of parliament to amend the Old Age Pensions Act so that a person who is seventy years of age and in all respects eligible for a pension, should not be deprived of it merely because it becomes necessary for him to move from one province into another?

Hon. W. A. GORDON (Minister of Labour): With respect to the effect of the old age pension legislation, my view is that perhaps this legislation should be subject to further review from a number of angles.

Dealing directly with the interrogation of the hon. member, I may say that the government has not given any consideration so far with a view to bringing in any legislation at the present session of parliament.

## TRADE RELATIONS WITH CHINA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I wish to direct a question to the Prime Minister. In view of the fact that Chinese officials have refused to meet the Hon. Mr. Marler and that some of the authorities in China have requested that a check-up be made of all industries in this country to ascertain if any Japanese are employed on products exportable to China, I would ask if the Prime Minister will now consider the advisability of appointing a special representative from Canada to China so as to facilitate trade relations between the two countries?

Right Hon. R. B. BENNETT (Prime Minister): It is not usual, Mr. Speaker, to ask without notice on the orders of the day a question of the character indicated, involving as it does international relations. Provision has been made within the last twelve months for special representatives of the Department of Trade and Commerce to take up location in China, and they have undertaken their duties there. I think the practice, Mr. Speaker, is not one that should be established in this house of asking questions prefaced by a statement alleged to be a statement of fact, because so far as one reading it in a journal is concerned it may have the effect of doing the very opposite of what the hon. gentleman desires.

I think the house should take cognizance of the fact that a telegram was read a few moments ago in which a statement was made as a statement of fact. It was a very serious statement. It may or may not be accurate. The rules indicate that such telegrams should not be read in this house at this stage.

The statement just made by the hon. gentleman if correct would involve a rather serious question. I suggest that we should be a bit careful in dealing with our international relations especially in times when great consequences often follow from very small beginnings in matters of this kind. I shall, however, look into the matter and advise the hon. gentleman, and if he has any desire to inform himself and will apply at the office I assure him that at all times I shall be glad to try to satisfy his very commendable curiosity.

Mr. REID: For the benefit of the Prime Minister I might say that the information I received was contained in an address delivered by Mr. Leon Ladner of Vancouver, who told an audience that the interests of Canada suffered because she had not a representative in China.

Mr. BENNETT: The report of the statement in the Vancouver Sun adds nothing to the hon. gentleman's former statement.

Mr. REID: In the Province.

## UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have a telegram in my hand dated Saskatoon, Saskatchewan, November 12.

Mr. ERNST: It took a long time to get here.

Mr. McINTOSH: The telegram is from the second vice-president of the Fraternal Protective Association of Unemployed Citizens and Taxpayers of Saskatoon, and is addressed to the Prime Minister. The telegram draws attention to a certain document which the Saskatchewan Relief Commission requires applicants for relief to sign. The document requires those desiring relief to mortgage their homes, their chattels, all moneys not statutory exempt and—

Mr. SPEAKER: Order. Has the hon. gentleman a question to ask? He knows quite well that it is out of order to precede questions with a lengthy statement on the orders of the day.

Mr. McINTOSH: I have two questions to ask, Mr. Speaker. My first question is this, whether the government in granting relief to the citizens and taxpayers of Saskatoon, Saskatchewan cities and other centres throughout the dominion demand directly or indirectly of the provincial governments such security as that mentioned and which necessitates the violation of the sanctity of the homes of those seeking unemployment relief? Further, did the government of Canada either directly or indirectly give the Saskatchewan Relief Commission authority to demand any such security before supplying relief?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, nothing could better illustrate the soundness of the rule which does not permit of the reading of such telegrams on the orders of the day. May I say that the province of Saskatchewan is charged under the British North America Act with responsibility, and we have made contributions because of the national character of the emergency to assist them in carrying out their work. The telegram to which the hon. gentleman referred, and which took five days to reach here, has substantially been in the hands of a great many members of the house, and some of these telegrams came from sources which at once made their authenticity questionable, but I presume the hon. gentleman has served the purpose he had in mind.

Mr. McINTOSH: Then the Dominion government says it is powerless to prevent such a state of affairs—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. McINTOSH: All right, give us order.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

The house resumed from Wednesday, November 16, consideration in committee of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom—Mr. Bennett—Mr. LaVergne, in the chair.

Mr. CHAIRMAN: We were on item 386.

Mr. RHODES: Last night the hon. member for North Bruce (Mr. Malcolm) put a question to me with respect to the provision found in section 386 of the customs tariff, which reads as follows:

> Sheets, plates, hoop, band or strip, of iron or steel, as hereunder defined, under regulations prescribed by the minister.

He asked me what regulations were outstanding and what regulations had been issued. I answered that inasmuch as it concerned the Department of National Revenue I could not give him the information at the moment. I made inquiry this morning and I find that no regulations have been issued under this provision although it has remained on the statute for many years, and therefore no regulations are outstanding.

Mr. YOUNG: Can the minister give us the information as to the actual applied rate of duty on goods coming in from the old country?

Mr. RYCKMAN: Mr. Chairman, I have in my hand, and with the leave of the committee I shall put on Hansard, a proper comparison and a full answer to the hon. member's question, which will be found at page 1235 of Hansard. When I read this I think the members of the committee will well understand why one was unwilling to do the mental arithmetic on the instant as requested by the hon. member. I should like to emphasize, as I tried to do before, a point which has received no consideration whatever from hon. members, but one which I think should receive their attention. It is an important factor which affects every transaction. I hold in my hand a statement showing a comparison of duties on household hollowware of aluminum imported from the United Kingdom before the pound sterling went off the gold standard, with the prices as they obtain at the present time.

Mr. YOUNG: "At the present time" means with the treaty rates in effect?

Mr. RYCKMAN: Yes. In compiling this table the assumed market value has been

taken as two shillings. The British preferential rate under tariff item 354a is given at 20 per cent less 10 per cent. The sales and special excise tax are nine per cent, computed on the duty paid value. The following table will give the comparison to which I have referred.

Prior to September, 1931

| | Cents |
|---|---|
| Value for duty | 48.67 |
| Duty (20 per cent less 10 per cent) | 8.67 |
| Sales and excise taxes | 5.16 |
| Duty and tax paid value | 62.5 |

Present Time

| | Cents |
|---|---|
| Purchase price at exchange say, 3.71 | 37.1 |
| Value for duty | 48.67 |
| Duty (20 per cent less 10 per cent) | 8.67 |
| Sales and excise taxes | 5.16 |
| Dumping duty (difference pound at 4.40 and 3.71) | 6.9 |
| Duty and tax paid value | 57.83 |

So, with 57·83 cents one may buy an article with a formerly laid down value of 62·5 cents.

Mr. YOUNG: If I followed the minister's figures correctly the duty now will be practically 20 cents on an investment of 37 cents in Canadian money, which is considerably more than 50 per cent. I will admit my estimate made last night was wrong, because I estimated only 47 per cent. But according to the minister the duty will be beyond 50 per cent. Under the circumstances I believe we should have similar statements in connection with every item from now on throughout the schedule, so that we may know exactly what the preferential rate will be.

Mr. RYCKMAN: In reply I merely state that my answer is as it appears on Hansard. From the statement placed thereon the hon. member, by doing some arithmetic, will find it very easy to make calculations by which the Department of National Revenue will agree to be bound. I think in fairness to myself and others the hon. member should do his own sums.

Mr. YOUNG: I am quite willing to do my own arithmetic, but before these items are passed I should like to figure out what the actual applied rates will be. I do not wish to wait until Hansard comes out tomorrow to have the figures. If I heard the minister correctly the total duty on the article at the present time will be 19·9 cents, or approximately 20 cents, while the price of the article is only 37 cents. One need do only a simple problem in arithmetic to learn that the duty is considerably over 50 per cent. I can see that without figuring.

Item agreed to.

Customs tariff—ex 387. Steel grooved (or girder) rails for electric tramway use, weighing not less than 75 pounds per lineal yard, punched, drilled, or not, of shapes and lengths not made in Canada, per ton: British preferential tariff, free; intermediate tariff, $7; general tariff, $7.

Item agreed to.

Customs tariff—388. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled, or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, n.o.p., per ton: British preferential tariff, free; intermediate tariff, $3; general tariff, $3.

Mr. MACKENZIE (Vancouver): What are the particulars in connection with this item?

Mr. RHODES: The total imports last year under this item were valued at $2,315,000. On that amount $271,000 worth came from the United Kingdom; $1,882,000 worth from the United States and $162,000 worth from other countries.

Item agreed to.

Customs tariff—388b. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p., per ton: British preferential tariff, $4; intermediate tariff, $7; general tariff, $7.

Mr. RHODES: The value of the imports under this heading for the last year was $797,000, of which $24,000 came from the United Kingdom, $640,000 from the United States and $115,000 from Belgium.

Mr. YOUNG: I suppose the figure of $24,000 that came from the United Kingdom is taken from the trade returns, and is one of the exaggerated figures we were discussing the other day. The actual imports from the United Kingdom will be considerably less than that. If the British manufacturer of these articles could not get into the market before to any greater extent than that, will he be able to do it better with this reduction? Apparently the market is dominated by manufacturers outside the empire, and the duty on goods outside has not been reduced.

We know the difficulty under which railroads are now operating; we know they are experiencing financial difficulties and that they will be approaching this government for help. Here we are charging them 12½ per cent on their equipment. To my mind it is poor business to make them pay the extra price for their equipment and then have them come to the government asking money from the treasury.

Mr. RHODES: My hon. friend made precisely the same argument yesterday.

Mr. YOUNG: It will stand repeating.

Mr. RHODES: I do not know that any good purpose would be served by loading up Hansard with the reply I made before. I think perhaps the hon. member will not judge me discourteous if I simply say ditto to what I said last night.

Item agreed to.

Customs tariff—ex 388. Iron or steel side or centre sill sections, of all sizes not manufactured in Canada, weighing not less than 35 pounds per lineal yard, not punched, drilled or further manufactured, when imported by manufacturers of railway cars, for use in their own factories, per ton: British preferential tariff, free; intermediate tariff, $3; general tariff, $3.

Mr. MACKENZIE (Vancouver): Are any of these articles made in Canada at all?

Mr. RHODES: I am informed that practically none of this is made in Canada. I may point out that this is an entirely new item.

Item agreed to.

Customs tariff—392. Forgings of iron or steel, in any degree of manufacture, hollow, not less than twelve inches in internal diameter: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—393. Tires, of steel, in the rough, not drilled or machined in any manner, for railway vehicles, including locomotives and tenders: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. YOUNG: Will the minister tell us what the applied rate will be against Great Britain in this case?

Mr. RHODES: I will first give the figures. The imports last year under this item were $444,000, of which $147,000 came from the United Kingdom and $297,000 from the United States. I take it the hon. member for Weyburn (Mr. Young) is submitting the same question with respect to this item as he has with respect to a number of others. In this case also I shall have to submit the same answer.

Item agreed to.

Customs tariff—394. Axles and axle bars, n.o.p., and axle blanks, and parts thereof, of iron or steel:

(a) for railway vehicles, including locomotives and tenders: British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—401. Wire, of iron or steel:

(a) barbed fencing, coated or not: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

(b) twisted, braided or stranded, including wire rope or cable, coated or not, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

(c) drawn flat or cold rolled flat after drawing, coated or not, n.o.p., not more than ·25 inch in width and less than ·1875 inch in thickness: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

(d) coated with zinc, or spelter, curved or not, in coils, ·144, ·104 or ·092 inch in diameter, with tolerance not to exceed ·004 inch, and not for use in telegraph or telephone lines: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

(e) coated with zinc or spelter, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

(f) single or several, covered with any material, including cable so covered, coated, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

(g) n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. SPENCER: Will the minister give us particulars?

Mr. RHODES: The imports last year, under the first item, barbed wire, amounted to $125,000 in value, of which $10,000 came from the United Kingdom, $39,000 from the United States, $34,000 from the Netherlands and $28,000 from Belgium.

Mr. YOUNG: Canadian production?

Mr. RHODES: Canadian production, $535,000. Of wire rope, the imports last year were $215,000, of which $152,000 came from the United Kingdom, $28,000 from the United States, and $30,000 from Sweden. Flat wire; the imports last year amounted to $4,000, of which $2,000 came from the United Kingdom and $2,000 from other countries. Galvanized wire for fencing purposes; the imports last year amounted to $39,000, of which $2,000 came from the United Kingdom, $10,000 from the United States, and $24,000 from Germany. Galvanized wire, n.o.p.; the imports amounted

to $26,000, of which $5,000 came from the United Kingdom, $15,000 from the United States, and $6,000 from other countries. Covered wire, item 410 (f); imports last year, $18,000, of which $3,000 came from the United Kingdom and $15,000 from the United States. Item 401 (g), n.o.p.: imports last year were $139,000, of which $14,000 came from the United Kingdom, $118,000 from the United States and $7,000 from other countries.

Mr. POULIOT: May I ask the hon. gentleman if it is in this item that the government has succeeded where others have failed? I should like to have a concrete case in order that I may know when it has happened.

Mr. BROWN: The particular article under this heading that is of interest to us is the first part, fencing, coated or not. This is an article that has been admitted into Canada free of duty since the very early days of Sir Wilfrid Laurier. On the coming in of that tariff I myself was able to buy barbed wire I think at the cheapest price it was ever sold in Canada.

Mr. BENNETT: How much per hundred pounds?

Mr. BROWN: It was $2.75 a hundred. I had to fence a half section at that time, and at my local point it cost $2.75 a hundredweight. Barbed wire is one of the most essential things on a western farm, if we are to keep live stock at all. We have not the facilities for making such elaborate fences as the old snake or cedar pole fences that we see all over Ontario. We must have barbed wire; if stock is to be kept to any considerable extent it is one of our most essential requirements. In these days when farming is being carried on, not at a very small profit but at an absolute loss, why the government should see fit to impose this extra burden upon the purchaser of barbed wire I cannot understand. Of course we know that the indicated purpose behind these treaties is to divert trade to Great Britain—

Mr. CANTLEY: Are you opposed to that?

Mr. BROWN: Take the figures that have been read to us by the finance minister. Only a trivial amount was imported from the United Kingdom, I think about $10,000—

Mr. RHODES: That is right.

Mr. BROWN: Take that in comparison with the figures from the Netherlands, Belgium and the United States, which if my memory serves me right ran in each case about $40,000—

[Mr. Rhodes.]

Mr. BENNETT: No; $28,000 from Belgium, $34,000 from Germany and the Netherlands and $39,000 from the United States.

Mr. BROWN: Well, no matter what those figures are, the amount imported from the United Kingdom is trifling compared with what we receive from other sources, taken along with our Canadian production. I cannot think it possible that this increase in duty of 10 per cent will divert any considerable amount of that trade to Great Britain. It seems to me it can have no other effect than to increase the price of the wire we receive from other countries, as well as increase the price that we have to pay to our own manufacturers. This is one matter on which I am sure we should have the unanimous support of all hon. members from the west if they were free to speak their minds, as we certainly will have the unanimous support of the voters of the west in our opposition to it.

Mr. MACKENZIE (Vancouver): Who asked for this change in the tariff in regard to barbed wire? Was it asked for by the Canadian manufacturers or by the British delegates?

Mr. RHODES: There was no specific request for this item. It was not included among those on which the British government laid particular stress, but it was one of those which they included as being beneficial to them.

Mr. MACKENZIE (Vancouver): I should like to give the house some figures to prove that this preference will not be of the slightest use to any British manufacturer of barbed wire. I wish to quote prices which were given me by a reliable authority, and which the government can check up. These are actual prices for barbed wire, translated into Canadian funds, per 2,240 pounds:

| | Continental | British |
|---|---|---|
| October, 1930 | $46 90 | $63 20 |
| October, 1931 | 48 40 | 69 40 |
| November, 1932 | 48 80 | 72 50 |

The ten per cent preference here will be absolutely useless to Great Britain. This is nothing but straight protection to the Canadian manufacturers of barbed wire and an additional burden on the farmers of western Canada.

Mr. WILSON: It is not often that I take up the time of the committee, but the remarks of the hon. member for Lisgar have brought me to my feet, since it happens that I was brought up in the hardware business. The hon. member says that $2.75 is

the lowest price at which barbed wire was ever sold. I want to inform him that I sold barbed wire at $2 per hundred pounds, when it was made in Canada and carried a duty of three-quarters of a cent per pound. When the Liberal government made it free they put the Canadian manufacturer out of business, and now we are paying more for barbed wire.

Mr. BROWN: May I ask the hon. member for Wentworth if he sold that wire at Pilot Mound, Manitoba?

Mr. WILSON: That is not the point at all.

Mr. BROWN: That was where I bought it.

Mr. WILSON: That may be so, but I am saying that when there was a duty of three-quarters of a cent per pound on barbed wire it was made in Canada by Canadian manufacturers, gave work to Canadian workmen, and sold for less money.

Mr. BROWN: Will the hon. member contend that the removal of that duty made barbed wire higher in price?

Mr. SPEAKMAN: I should like to ask if these duties are now in effect.

Mr. RHODES: Yes; they have been in effect since October 13.

Mr. SPEAKMAN: That is what I understood, and this brings up not a potential situation or a matter of imagination or prophecy, but an actual fact. During the last week, no doubt in common with other hon. members, I have been in receipt of a number of telegrams and communications from consumers of barbed wire in western Canada, complaining of a recent and substantial increase in the retail cost of that commodity, which increase has come about within the last ten days. When the matter was brought up in the house a short time ago, I think by the hon. member for Battle River, I believe it was intimated that some action had been taken to stop the dumping of barbed wire into this country at unfair prices, but that the actual fair market price had not been altered in any way. There is no doubt in my mind that any increase in the price of barbed wire at the present time is serious. I think that will be admitted on every side. It is a fact that farming is being carried on at a loss, and the slightest increase in our cost of production is a matter of very grave consideration. In addition, every tendency today whether on the part of governments, of individuals or of organizations, is towards mixed farming, if possible getting away from that great overproduction of wheat and turning to other lines of agriculture. As a matter of fact, to a very large extent the agreement itself, so far as it concerns farm products, is based upon that increase in mixed farming. As the hon. member for Lisgar has said, and as everyone acquainted with western Canada knows, mixed farming there is practically dependent upon the increased use of barbed wire fencing. It cannot be otherwise. Barbed wire forms a very substantial and an inescapable portion of the cost of farming, particularly if you go into cattle raising or other forms of mixed farming. I think the house is as one in deploring anything that may increase the cost of this commodity, but whether it is a result of the treaty or a most unfortunate coincidence, the fact remains that the price has gone up, and that from every side we are receiving complaints. This increase may be due to the fact that dumping has been stopped; we do not know. The farmer does know, however, that the price has increased and that he is paying more for his barbed wire.

Mr. STEVENS: Has my hon. friend any information as to the extent of the increase complained of?

Mr. SPEAKMAN: I think I can get that information, though most of the wires simply complain without giving very definite statistics. I did not bring those telegrams with me because I did not know this item was coming up today, but I think one or two of them contain actual figures. Certainly definite statements have been made, and in some cases they are backed up by exact figures as to prices paid.

It does seem to me, Mr. Chairman, that it is an almost inescapable inference at least, with these tariffs having been in effect for the past three or four weeks, that the increase in price is a direct result. Rightly or wrongly that is the inference drawn, whether it is a necessary increase or whether the retailers are taking advantage of the situation. I do not know what are the facts, and the farmers do not know, but they do know that the price has gone up. If that is the inevitable result of this agreement then I think this is one point that certainly must be discussed and if possible corrected, because the whole argument in favour of the British preference is that it will result in the diversion of trade —which I for one should be very glad to see— but that this diversion of trade will be made without increasing the cost to the consumer

or placing an additional burden upon those who may use the articles imported. There is the whole difficulty. If the treaty has this result it will not be the foreigner who will pay the cost of the agreement; it will be paid by the consumer here. If that is to be the result the whole basis is wrong.

I will not go further, but I am asking the minister to institute as soon as possible the most careful inquiry into the matter. I am not asking him to take my statement; I am not even asking him to accept any telegrams that may be sent, because at times they are wholly unreliable. In view of the statement that prices have increased, and the widespread complaints that have been made, together with the fact that it is of such great importance to have these prices as low as possible without inflicting injury upon anyone, I ask the minister to look into the matter. We want barbed wire to be sold at the lowest possible legitimate price, and in view of these facts I ask the government to make the fullest inquiry. If they find that someone has been attempting to exploit the consumer as a result of this tariff, or that under this tariff we cannot get barbed wire as cheaply as we formerly could, I ask the government to use the powers contained in the treaty and remedy that injustice, if any has been brought about.

Mr. BENNETT: I am going to intervene in this debate, Mr. Chairman, merely to make a very few observations. The hon. member for Red Deer used the words "as low as it can be purchased legitimately." I suppose he is aware of the fact that during the past several months in this country barbed wire has been dumped on the Canadian market from the Netherlands. As a matter of fact, the wire was brought from Germany unbarbed into the Netherlands and then barbed and shipped here by water to Vancouver. The price at which it has been sold was admittedly a dump price. It is only necessary to point out to the committee that the entire requirements of Canadians for barbed wire have been met practically by Canadians.

Mr. SPEAKMAN: Quite.

Mr. BENNETT: The hon. member for Red Deer is fair enough to admit that that is correct, and I commend that to the hon. member for Lisgar. Now, the total importation, when barbed wire was free across the board, was not $85,000.

Mr. MACKENZIE (Vancouver): It was as high as $125,000.

[Mr. Speakman.]

Mr. BENNETT: I was coming to that. It did reach a maximum of $125,000 but the average was something like $85,000. But Canadians have supplied their own requirements in barbed wire and have had keen competition with the whole world. Recently however barbed wire has been dumped upon the Canadian market by foreigners to destroy Canadian industry, just cold-bloodedly—admittedly in cold blood. I will give the committee an illustration. Not long since orders were taken for Canadian barbed wire. The Dutch interests have in this country a representative in the person of Mr. Leith Murray. They went so far as to say, "We will undersell you, whatever your price may be. Substantially that will be the effect. There will be no dumping duty on it and we will sell this Dutch wire in this country regardless." Now, the price at which the Canadian is selling barbed wire at the present moment is $2.32 per hundred pounds, while the price in the United States is $2.60. The competition formerly was between the United States and Canada, and the Canadian interests were able to purchase barbed wire delivered at the head of the lakes, in competition with Pittsburgh wire delivered at the head of the lakes, when the item was on the free list, and undersell them. I well recall—I was not actively interested in politics at the time and was not in the house—that Mr. Walton, manager of the largest wholesale firm in Canada, Marshall, Wells & Company, explained to me the extent to which we Canadians were producing our own requirements, and he pointed out barbed wire as an illustration. Being free across the board, it was being produced by Canadians cheaper than it could be delivered by the American producers in the United States.

There has arisen however a situation which is entirely different from that. A foreign interest has resolved to destroy the Canadian market—

Mr. YOUNG: Maliciously?

Mr. BENNETT: I did not say that. The hon. gentleman can hardly conceive anything not being done that way. I did say however that they have resolved to do it, and having resolved to do it they set out by reducing prices to accomplish that end.

Mr. MACKENZIE (Vancouver): Could not that be met by means of ordinary dumping duties?

Mr. BENNETT: One of the difficulties is to determine how you can apply the dumping duty to certain commodities. In the Netherlands there is no market for barbed wire, and

to find a fair market price for barbed wire where there is no sale for the commodity is an exceedingly difficult thing, and section 36 of the Customs Act, to which the hon. gentleman refers, contemplates the sale being made cheaper than the sale that is made to the people of the country in which the commodity is produced. Owing to the fact that the wire itself comes from Germany and is barbed in the Netherlands, and that there is no market at all in the Netherlands for barbed wire, you cannot apply that section, which contemplates the ascertaining of the domestic price for the commodity and then comparing that with the price for which the commodity is being offered in the country to which it is exported.

Mr. MACKENZIE (Vancouver): Why was this tariff change not postponed until the regular budget came down, instead of putting it here under the guise of a British preference, which, as I see it, is absolutely useless.

Mr. BENNETT: Presently I shall deal with that phase of the situation. Perhaps I might do so now. Great Britain sold only $10,000 in our market in a given period. Larger quantities were sold by Germany, the Netherlands and Belgium. Those are the four countries from which our importations came, the United States being $34,000, larger, as a matter of fact, than any of the other three. Now, the position is this. If Great Britain could supply it we should prefer to buy it from Great Britain. We have never made any bones about that, to use a colloquial expression. There has been no raising of the price by the Canadian producer, none at all. His price is $2.32 and the American price at the moment is $2.60. It is difficult to ascertain the market price for barbed wire in a country where barbed wire has no sale. It has in Germany, and the domestic price there bears a close relation to our own. As most hon. members know, barbed wire is not used in Great Britain commercially as it is here, and in the Netherlands there is no market at all.

When this matter was presented for our consideration we said, "We will make it free, but we must at least see that the British producer has an even chance as compared with those who are dumping their product on this market." I had occasion to point this out the other day. A few years ago the entire agricultural production in Canada, including fruit and vegetables and every form of agricultural activity, embracing live stock as well, amounted, roughly, to $1,600,000,000, of which only $300,000,000 worth was exported. The other $1,300,000,000 were consumed by 10,000,000 people, indicating of course that the domestic market is still by all odds the great market for Canadian producers—the very greatest market there is.

Mr. YOUNG: Have you made allowance for duplications?

Mr. BENNETT: I merely take the figures as the statistical department have prepared them, and I have every reason to believe that under Doctor Coats' direction every possible likelihood of erroneous figures being produced has been eliminated. I can only give them as they are. I have the figures for the last three years, but I take the round figures for one year, and as I have said, of $1,600,000,000, roughly, we exported $299,000,000, or, to use round figures, $300,000,000, leaving $1,300,000,000 of agricultural products consumed by 10,000,000 people—that is, before England went off the gold standard. The very essence of the maintenance of some form of industrial life in this country is to maintain that domestic market, and to do that we must give a fair chance to industry, just as the agriculturist has asked for an even chance with New Zealand butter or Australian products, or in relation to any form of agricultural activity whatever it may be. The Canadian producer says, "All I want is a fair chance in my own market." Now, when you find Canadian barbed wire being sold to Canadians at 28 cents per hundred pounds less than in the United States, and when you find, so far as you can ascertain, that the price at which barbed wire is being offered in the Netherlands is lower than the cost of production, on any fair basis of production costs, are you not bound to take steps to give the Canadian a fair chance, and to give the Englishman that chance as well? We have said to the Englishman, "We will make it free and give you a fair chance, that is, even competition with the Canadian," and if he has an even chance in this market with the Canadian, why should we be so solicitous about those who are making no contribution to our welfare?

Mr. YOUNG: What about the farmers? It is the farmers of whom we are solicitous.

Mr. BENNETT: The farmers, if the situation is left to work out its logical conclusion, will eventually pay any price the foreigner may demand.

An hon. MEMBER: They can't live that long.

Mr. BENNETT: Someone says they cannot live that long, but I have seen Canadian industry destroyed and the foreigner fix prices. My hon. friend from Red Deer used the word

legitimately and used it properly, and I can see that he meant that if there were not an even chance afforded either to his own country or to Great Britain with respect to this commodity it was not legitimate nor fair. It is to overcome the dumping practice in this market in connection with barbed wire that this step is being taken, and the only method by which that could be accomplished is this. You may think you have devised other methods, but this is the only really effective method that will do it; and if, as the hon. member for Red Deer has found, a hardship is worked in any particular class, the agreement is provided to meet that situation, just as it has done with respect to one or two other matters, since the agreements were signed, both in Australia and elsewhere. I think I could give more striking illustrations of what has happened recently in connection with orders that were given to Canadian producers of barbed wire, the base price being $2.32. Those who have given the orders have been asked by the Dutch agents in this country to cancel them and to substitute Dutch wire, made first in Germany, barbed in the Netherlands, and shipped to Canada by water, to supplant the Canadian product made by Canadian people who consume a part of that $1,300,000,000 which constitutes the largest market the Canadian farmer has for his product—the home market.

Mr. SPEAKMAN: The very fact that the great percentage of our market is supplied by Canadian industry would indicate that any increased cost of importation, supposing it were brought about, should have no effect upon the price. That is, if the price were being raised in Canada, I mean apart from any temporary and unfair dumping of which I am not speaking at the moment, this would show that the industry or part of the industry or the retailers under the industry were taking unnecessary advantage of the tariff, because it is not the imported article that sets the price. I am merely asking that under the circumstances the government ascertain whether in any districts there has been an unnecessary increase in the legitimate price and that, if so, they take the necessary steps.

Mr. BENNETT: I assure the hon. gentleman that this is a matter in which I had considerable interest. My information at the moment is that there has been no increase in price by Canadians, but the foreigner, taking advantage of the situation, has been endeavouring to get a higher price on the theory that he now has a monopoly of the market, having cancelled the orders of the Canadian producers and driven them out. If that is what the committee wants to have done, all they have to do is to make it clear. They will not get it so far as this government is concerned.

Mr. BROWN: The Prime Minister directed a remark to me commending the attitude of the hon. member for Red Deer when he admitted the larger proportion of our requirements was provided from the Canadian market. I did not need to admit that definitely when I pointed out that we had a very small proportion—

Mr. BENNETT: From Great Britain.

Mr. BROWN —from Great Britain, another small proportion of our requirements from foreign countries and some $550,000 worth from Canada, which in itself is an indication that we are getting most of our requirements from our own producers. Therefore I do not think the Prime Minister need emphasize the point that my attitude should be the same as that of the hon. member for Red Deer. The Prime Minister has made another very interesting admission, namely that Canadian manufacturers of barbed wire have been providing for Canadian requirements in competition with the United States, and they have been doing that for thirty-five years without a duty.

Mr. CANTLEY: No.

Mr. BROWN: I know whereof I speak. Barbed wire was put on the free list by the first Fielding tariff in 1897. I had occasion, as I well remember when I was fencing my farm about which I spoke, to come into contact with a very strong protectionist who was complaining that the Fielding tariff had not reduced duties at all. I immediately pointed to what I had done in fencing my own farm at the price I have already indicated, because of the reduction that was brought about in the price of barbed wire by the Fielding tariff. He said: "Oh, that was the worst thing that was done for Canada." I said: "You cannot have it both ways." He was arguing about the Fielding tariff having reduced no duties, and he was also complaining that it had. This is characteristic of the arguments we are hearing these days from the other side of the house. I have been contending all these years that Canadian manufacturers could compete with other manufacturers without these large protective duties, and the Prime Minister has at least admitted the fact that for thirty-five years the Canadian manufacturer of barbed wire has been supplying the major portion of our requirements and yet barbed wire has been on the free list. When we are

discussing this matter of prices, it should be borne in mind that I am speaking of retail prices I had to pay in my town, and probably the prices quoted by the Prime Minister are wholesale prices. We must not get confused over these matters.

Mr. BENNETT: But the retail price is not a matter over which the federal government has any control.

Mr. BROWN: I admit that. When the hon. member for Wentworth challenged the price I gave, he should remember he was giving the price in Ontario, very near to where the wire was made, and I was quoting the price away out on the prairie where it had to carry a large freight rate.

Mr. GOTT: That shows that factories are needed out there.

Mr. BROWN: That is about as wise as any other remarks made by the hon. gentleman. I was quoting a price that carried a very high freight rate, so that the statement of the hon. member for Wentworth is not necessarily a contradiction of mine.

Granting that the statements of the Prime Minister in regard to the situation that prevails in Holland are correct, why should this material be brought in under the guise of diverting trade to Great Britain? Why should it have been made a part of this imperial agreement? If the situation which he describes needed to be met, it was quite possible to meet it in some other way and not to include this item in an agreement to which we are bound for a period of five years. That is one point to which we object.

Mr. STEVENS: May I answer a point raised by the hon. member for Red Deer? Since he spoke I have received definite information that neither by the manufacturer nor by one of the large distributors throughout western Canada has there been any increase in the cost of barbed wire in the period mentioned.

Mr. SPENCER: Is any safeguard being provided against increases?

Mr. SPEAKMAN: It is possible that the communications which I and others have received refer only to the stopping of temporary dumping. I am not making any assertion as to that. I am simply stating the facts as to the prices paid. May I, while I am on my feet, express my agreement with one point raised by the hon. member for Lisgar? If these tariffs had for their purpose not so much the diversion of trade as the protection of Canadian industry from unfair dumping, I certainly think it would have been far better, with that end in view, to introduce the item definitely as part of the Canadian tariff which may be altered at our discretion at any time, instead of making it part of the agreement.

Mr. YOUNG: I am sorry the Prime Minister has left his seat. While he was speaking I took down some of the figures he quoted. He spoke of $1,300,000,000 worth of Canadian farm products being consumed by 10,000,000 people in a year. I asked him if he had made any allowance for duplications, and he said the figures he gave were accurate. This would mean $130 worth consumed annually by every man, woman and child in Canada, or $650 worth for a family, in addition to tea, coffee, tropical fruits and such other foodstuffs as we bring in from abroad. It does not require any close scrutiny of the figures to realize there is something wrong with them. If the Prime Minister's information as to what is going on in Holland in connection with barbed wire is no more accurate than his information in connection with the consumption by the Canadian people of foodstuffs grown on Canadian farms, then I think he is acting without sufficient information in raising these tariffs. The imports of barbed wire were $125,000 from all sources, of which $10,000 came from the United Kingdom, leaving $115,000 coming in from abroad. The Canadian production, the minister tells us, was $535,000. The total consumption in Canada must therefore be $660,000 worth, of which $115,000 comes in from abroad. In order to divert that $115,000 worth which comes in from abroad, and only $33,000 of it comes in from Holland, either to the United Kingdom or Canadian factories, we, the people of Canada, are going to pay an extra 10 per cent on the whole $660,000 worth, or $66,000.

Some hon. MEMBERS: No, no.

Mr. YOUNG: It is going to cost us $66,000 to divert $115,000 worth of business.

Some hon. MEMBERS: No.

Mr. YOUNG: The Prime Minister tells us that there is no market in Holland for barbed wire, and that is why he cannot fix a price. But there is a market in Holland for Canadian wheat, and as was stated in the house by several hon. members the other evening, the ministers in Holland have said that they would not buy Canadian wheat because our government is doing its level best to stifle all Holland's trade with Canada. I want to know something about this Canadian

industry which is going to get this extra $66,000. How many men does it employ and what wages are they paid?

Mr. RHODES: In the first place I must take exception to the deduction of my hon. friend that there is going to be an increased cost of $66,000. We do not admit that for one minute. I do not propose to traverse the ground I have covered on previous occasions but I do not by any means admit my hon. friend's contention that there will be an increase in price.

Mr. YOUNG: There has been already.

Mr. RHODES: No, there has been none; we have that officially and that statement stands. The argument of my hon. friend and of others who have opposed the placing of a duty of 10 per cent in the intermediate and general tariffs is predicated entirely upon the assumption that there will be a corresponding increase in price. If there is no increase in price their argument falls to the ground. I presume if there were no increase in price they would agree to the proposition that it is far better to purchase from Great Britain than from foreign countries any given commodity. Perhaps they will not subscribe to that, but at all events that is our view on this side of the house. My hon. friend asks how many are employed and what wages they are paid. I am surprised at his modesty. I wonder that he did not ask their ages, their weight and the colour of their hair. It is absolutely impossible to give my hon. friend the information he desires because this is only one branch of an industry with many ramifications. We have no data and nothing to indicate how many men in the industry as a whole are engaged in the manufacture of barbed wire. In fact, I doubt very much if the industry itself would be able to make that computation with any degree of accuracy because of the wide ramifications of its manufactures. But the main thing upon which we should centre our attention is whether this provision will or will not increase the price to the consumer. If it does not increase the price, then nothing but benefit can result.

Mr. YOUNG: The minister says that he has no data as to the number of men employed or the wages paid in the manufacture of barbed wire. If he has not, then I want to know what arguments were presented to the government in favour of this legislation by those who asked for a higher duty on barbed wire. The one reason they must have had for doing this was that the industry was going to employ Canadian labour, and surely the government must have asked the extent of the labour employed and the wages paid in order to get some idea of what this additional cost to the farmer was going to yield to labour in this country. If not, the government were guilty of giving the manufacturers everything they asked for without looking into their case.

Mr. RHODES: My hon. friend has again, as he so frequently does, made a statement on his own ipse dixit and then predicated an argument on it as if it were gospel truth.

Mr. YOUNG: Then shatter my argument.

Mr. RHODES: I will to this extent. The manufacturers had nothing to do with this item. They may or may not have been consulted, but my hon. friend fails to grasp the fact that in a conference which produces an agreement, it must be a matter of agreement all around. Since these agreements were reached I have discussed with manufacturers their effect upon their industries, and many of them had not the remotest idea that the tariff as affecting their particular industry was to be touched at all.

Mr. YOUNG: Was it a grab bag you had?

Mr. RHODES: I will not admit to my hon. friend that it was a grab bag or anything else. This agreement was evolved as a result of the conference in precisely the same way that any other agreement would be evolved under similar circumstances. My hon. friend must rid his mind of that all-pervading suspicion of his that because this agreement has resulted in a certain change of tariffs, therefore the changes were made because of the machinations of some manufacturers.

Mr. MACKENZIE KING: There is one point I should like to bring out in regard to the relation of the tariff to a possible increase in price. There may be at the moment a difference of view as to whether or not there has been an increase, but I think hon. gentlemen opposite will admit that there may be an increase between now and the end of the next five years. Assuming that this increase of tariff had been made in the usual way, not as an agreement with Britain dealing with the British preference, but as part of a budget regularly brought down by the Minister of Finance, the government would have told us that should the price be increased they would have it in their power to reduce or remove the duty. That, they have been telling us all along, is the method open to them if the Canadian manufacturer, not the British manu-

facturer, tries to increase his price. But take the position of the Canadian manufacturer who in a trade agreement with Britain gets this advantage. In this agreement we are obligating ourselves not to alter that tariff for five years. We are taking away the one remedy which in the past, according to the government's own admission, the consumers had against high tariffs. But by this agreement we are giving to the Canadian manufacturer a monopoly for the next five years, so far as it can be created by the tariff, and during that period of time we cannot change the tariff. The situation is altogether different. This barbed wire item only serves to illustrate what is true of a very large number of items in this tariff agreement. Previously the Canadian manufacturers were to a certain extent controlled in respect to their prices, because the government had always the power to lower or to remove the duty, but now they are in an entirely different position, in an especially favoured position by virtue of which they can say to the government: You have no power to change this tariff because parliament has obligated itself—this is the government's point of view—in order to maintain the preferential margin that is given to Great Britain, to retain this tariff as it stands for a period of five years. That is the serious aspect of the whole matter.

Mr. RHODES: I think it should be understood in connection with any undertaking in regard to an increase in price that it does not necessarily mean that that commodity shall remain forever at a given price. So far as I am concerned, and I am speaking only for myself, I should like to see the price of barbed wire double, and the price of wheat double and treble. I would like to see commodity prices increased throughout the country and throughout the world, because I believe that that is one of the fundamental conditions that must precede a return to prosperity. Bearing that in mind, may I say that the undertaking with respect to an increase in price has reference in all instances to an increase which arises out of action which has been taken with respect to the tariff. I point out to my right hon. friend the statement which was made by the Prime Minister a few minutes ago when he said that if as a result of this action there was an increase we had our remedy under certain provisions of this agreement, which we have.

Mr. RALSTON: Under this agreement?

Mr. RHODES: There is provision for consultation.

Mr. RALSTON: Oh, pshaw!

Mr. RHODES: I may tell my hon. friend that since this agreement has been signed, sealed and delivered, we have had occasion to communicate with the mother country and have had a satisfactory response to representations we have made to them.

Mr. RALSTON: I have been trying to find out what it means.

Mr. RHODES: My hon. friend will find out before the committee rises because I purpose to move certain amendments. I have no doubt in the world that an improved condition will follow, because this government will not be a party to the continuation of legislation which would have a subversive effect on the industry of the farmer.

Mr. SPEAKMAN: I wish to direct my remarks to a statement made by the minister a moment ago, the accuracy of which I shall not challenge. I think he spoke in absolute sincerity, but may have created a misapprehension or misunderstanding. He has said that the government has satisfied itself that the price has not been increased. I think the facts are that at least in certain districts—and I am placing my statement at an absolute minimum—some farmers are obliged to pay more than they were paying. In that way the price has been increased to them. I accept the minister's word when he states that the industry in Canada, the regular wholesale and perhaps retail price, has not been interfered with. I point out however that the statement to the effect that the price has not been increased may be misapprehended by those who read his remarks. As I have said I believe the minister meant that the regular wholesale and retail price of Canadian goods has not been increased, but as the result of the stoppage of dumping some farmers may be paying more today than they were paying a little while ago.

Mr. RHODES: My statement was based upon the assurance which we have received from the largest producer and largest distributor in Canada. I have had inquiries made in the city of Ottawa, and I find the hardware dealers in this city are not charging one cent more than they did a week or a month ago. I am advised further that the T. Eaton Company throughout Canada are charging no more. I say to my hon. friend that I cannot conceive of a situation where a retailer could increase his price by reason of the fact that the dump was applied to foreign barbed wire, because he is able to get barbed wire from Canadian distributors for the same price as

he has been paying for the past three months. We will pursue the inquiry further, as far as we can. As hon. members know however we cannot constitutionally take action in connection with the retail sale of a commodity in a given community, but we will keep close watch upon the situation.

Mr. SPEAKMAN: I was merely differentiating between the price in Canada and the increase in price certain farmers have to pay, due to local conditions.

Mr. BELL (Hamilton): Mr. Chairman, this is one of those rare occasions when I feel I should like to take up two or three minutes of the time of the committee. I have listened very carefully to the temperate and reasonable argument of the hon. member for Red Deer (Mr. Speakman); I have listened to the much less temperate argument of my dear old friend from Lisgar (Mr. Brown); I have listened to the very eccentric argument by the hon. member for Weyburn (Mr. Young)—very true to form—and I have failed to find in any one of those arguments a criticism of the essential facts set forth in the schedule which provides that, after all, there shall be afforded to the British manufacturer in the Canadian market that opportunity which we as Canadians seek for our own. I have failed to find in any one of the arguments advanced a suggestion as to why we should desert or operate against the British manufacturer in favour of the manufacturer from some point outside the empire. I do not wish to labour the matter, but desire merely to lay before the committee an obvious fact upon which I should like to hear discussion, and concerning which I should like to hear the remarks of any hon. member who desires to dispute it. The point is this: Why should it be said that the Canadian manufacturer and British manufacturer should not have full opportunity, and that this tariff as laid down in the terms set out in item 401, providing for tariffs of free, 10 per cent and 10 per cent, should be used to help people outside the British Empire? If any hon. member will tell the reason why that should be done, I for one should be happy to listen to him.

Mr. MACKENZIE KING: No one desires to help people outside the empire; it is our desire to help the consumers and farmers in Canada.

Mr. BELL (Hamilton): That answer will not do.

Mr. RALSTON: In answer to the hon. member I would say that we find difficulty in discovering why both the British and Canadian manufacturer should be entitled to charge the Canadian consumer 10 per cent more than they charged before.

An hon. MEMBER: They are not doing it.

Mr. RALSTON: That is the point my hon. friend has missed altogether.

Mr. BELL (Hamilton): No.

Mr. RALSTON: I just wish to say a word or two about what would appear to be something in the nature of a fatherless child. Apparently the British manufacturer did not want this item; the Canadian manufacturers did not want it, and I take it that the farmers did not want it. I do not believe the government really understands how it happened that this item was put in the agreement. The fact remains however that it is here.

Mr. MORAND: It is there for the workmen, who are also consumers.

Mr. RALSTON: The Minister of Finance is not sure that the Canadian manufacturers had anything to do with it at all. I should have thought they would have been interested. The Prime Minister has given what I take to be the real reason for the government putting this duty into effect. He has said the reason they are imposing the 10 per cent duty is because they are unable to impose a dumping duty. The hon. member for Vancouver Centre quite properly asked the Prime Minister why, if Canadian interests were being injured the dumping duty provisions were not invoked. As I understood him the Prime Minister replied that the reason was that they were unable to determine domestic prices in countries like Holland or Germany, and that therefore it was impossible to use these provisions. I remind the committee and the Prime Minister that the provisions for dumping duty include not only basing duty on the domestic price in the country of origin, but there is a further provision in section 37 of the Customs Act for fixing a fair market price, another provision in section 41, and another in section 43. Section 43 makes no mention of domestic price at all. That section gives the Minister of National Revenue power, under authority of the governor in council, to fix any price he likes as a fair market value of goods, regardless of what domestic prices may be or what costs of production may be.

I should like to put on record section 43 (1) which was passed immediately after this government came into power. It is as follows:

43. (1) If at any time it appears to the satisfaction of the governor in council on a report from the minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers—

Which is what the Prime Minister said was being done.

--the governor in council may authorize the minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this act, the value so fixed shall be deemed to be the fair market value of such goods.

I submit my right hon. friend and his government have had ample opportunity to deal with any injurious situation which may have arisen. I believe the Prime Minister's reason for imposing the 10 per cent duty falls to the ground. One is driven to look for the real reason, and to try to find out why a straight 10 per cent duty was imposed, notwithstanding the fact that the government had the right to fix a dumping duty. There is, I submit, only one reason left, that is the reason which has been given and reiterated in this committee, the reason that by putting on this duty and agreeing to maintain the margin of preference for five years a fixed duty of ten per cent has been imposed against the Canadian consumer in favour of the Canadian manufacturer. There can be no other reason. There is ample opportunity to deal with any special situation, but evidently that is not deemed to be enough. I ask my hon. friends, do they think ten per cent would ever meet the situation? Of course not. We have now a static and frozen duty of ten per cent for five years. My hon. friend from Hamilton (Mr. Bell) suggests that we ought to give the British manufacturer the same position as the Canadian. He has been in that position for the last thirty-five years. These goods have been coming in from the British manufacturer, and the Canadian manufacturer had no duty to protect him. Exactly the same position exists at the present time. The one thing that is done is to add this irritating dumping provision, put on by my hon. friends, and to fix a definite duty of ten per cent which has got to be maintained for five years.

Mr. BELL (Hamilton): Against the foreigner.

Mr. RALSTON: But in favour of the Canadian manufacturer and against the Canadian consumer. I pointed out last night that the Canadian manufacturer and the British manufacturer can each ride immediately under that ten per cent tariff and adjust their prices accordingly, and I have failed to get from my hon. friends any suggestion that they would invoke the provisions of section 19 and strike out the duty in case they found it was being taken advantage of. That is one of our great objections to this treaty, not only to this item but to 138 other items in this tariff where free entry from Great Britain is provided but also a fixed duty against the rest of the world, in order that the Canadian manufacturer may have the benefit of it.

Mr. BELL (Hamilton): May I ask my hon. friend if the effect of what he has just advanced would not be, if carried to the length which he suggests, to provide free trade entirely along all lines in this country, and the absolute destruction of the British preference?

Mr. RALSTON: Not at all. My hon. friend forgets that, as the hon. member for Lisgar (Mr. Brown) has pointed out, for thirty-five years we have had free trade in barbed wire, and the manufacturers are still getting along. It is remarkable that at the time of the imperial conference, when the British manufacturers did not want it, and according to the Minister of Finance the Canadian manufacturers did not want it, advantage is taken of this occasion to put on a straight tariff item of ten per cent—

Mr. BELL (Hamilton): Against the foreigner.

Mr. RALSTON: We have had the benefit of free trade in barbed wire for the last thirty-five years, yet it has been produced and sold by Canadian manufacturers in very large amounts, and we are still awaiting the information as to how many employees there are in the industry.

Mr. STEVENS: I cannot allow my hon. friend to place in the mouth of my colleague, the Minister of Finance, words which he never used. My hon. friend says that according to the Minister of Finance the Canadian manufacturer did not want it, the British manufacturer did not want it. The Minister of Finance never made any such statement.

Mr. RALSTON: What I understood him to say was that they were not consulted in any way, and he knew of no representations of any kind from the Canadian manufacturers.

Mr. STEVENS: The Minister of Finance was very clear and very reasoned in his statement. What he said was this, that there was no specific demand from manufacturers, either British or Canadian. He said it arose, as nearly all the other items in this agreement arose, out of conversations and conferences leading up to what we might say is the consummation of the whole, namely the agreement. My hon. friend, is a very able lawyer, and when speaking in the house is not restrained by the ordinary rules of court procedure and is therefore able to put state-

ments in very clever and skilled manner, getting on the record arguments which have not been advanced at all—

Mr. RALSTON: You are too flattering.

Mr. STEVENS: It is too bad. I might say something more but probably I had better refrain. Another point; we cannot allow to go unchallenged the reiterated statement of hon. gentlemen opposite that because an item is placed in the tariff it immediately follows as a matter of course that Canadian manufacturers take advantage of that tariff. We challenge that statement, we claim that it cannot be sustained. In the present instance my hon. friend from Red Deer (Mr. Speakman) said he had heard that prices had increased. We instituted at once official inquiries and I gave a moment ago the answer, namely, that the chief manufacturing concern in Canada producing these goods had positively not increased its price in any sense. I have also official information that the T. Eaton Company, one of the biggest distributors in western Canada, have not increased their price one iota. I also have official information from the trade in the city of Ottawa that no increase has been made here. We have not had time to make inquiry further, but that ought to be accepted at its face value for the time being.

My hon. friend referred to section 43, he said: Why did not the Minister of National Revenue invoke section 43? I invite the hon. member for Lisgar, the hon. member for Weyburn, and a number of others to witness this, that the hon. member for Shelburne-Yarmouth, amidst some considerable desk-thumping from other members around him, endorsed absolutely the doctrine of applying section 43.

Some hon. MEMBERS: No.

Mr. STEVENS: And challenged, in fact berated, the Minister of National Revenue—

Mr. RALSTON: That is not even clever.

Mr. STEVENS: It must be clever, because it is what my hon. friend did. Moreover it is true. He berated the Minister of National Revenue; he said, he has section 37, he has section 41 and section 43, why doesn't he use section 43? That is precisely what my hon. friend said, if that is not an invitation to invoke section 43 I do not understand the English language. Of course when you put the hon. gentleman "on the spot" as it were, he naturally wants to get out of that dilemma. The hon. gentleman is very skilful about invoking some excuse to entangle his opponents or the government.

[Mr. Stevens.]

Mr. YOUNG: They are entangled in barbed wire now!

Mr. STEVENS: My hon. friend has never got disentangled mentally or any other way, that is the trouble. The Prime Minister made a very complete statement of the situation and I am not going to repeat it. In regard to this question of barbed wire there is no doubt that during the past year or more Canada has been subjected to unfair practices in trade. That applies not only to barbed wire but to other commodities. It is an unfortunate condition that exists in the world, it is not peculiar to Canada. It arises out of a quite well-known economic condition; merchants all over the world find themselves in possession of large stocks of goods, or in possession of plants that they desire to keep going. I presume Canadian producers would do the same thing. If they can dump their excess products on some other market and thus maintain at least a salvage price for that portion, so as to cut down the percentage of overhead on the whole, they do so. It has been a practice, a bad practice, a very embarrassing practice, and one which the whole world is now studying with a view to getting rid of. We were faced with this condition. My hon. friend from Red Deer was fair enough in his observations to say that he did not advocate that Canadian consumers should take advantage of a condition of that kind, he was satisfied if the ordinary principles of fair trade were observed. Now the Prime Minister indicated this problem, and my hon. friend from Shelburne-Yarmouth laughed at him. The Prime Minister properly said that it was very difficult to secure under section 6 of the Customs Act, the dumping clause, the evidence upon which that clause might be applied. That is for the very simple reason that barbed wire has no local sale in Belgium that would enable this government to fix the sale price in that country. "But," the hon. member for Shelburne-Yarmouth says, "that does not matter; why did you not invoke section 43?" That is a different section altogether, and in this case we did not desire or choose to invoke section 43. Here we have this arrangement by which we give an advantage to the British manufacturer in this market. The Canadian consumer is ensured fair treatment for two reasons: First, he has had fair treatment in the past from the Canadian manufacturer and there is no indication that this will be changed; in the second place he has the competition of the British producer as a check upon the Canadian manufacturer. I think I can say with some degree of assurance, based upon the experience we have had in the past, that the consumer of barbed wire need have

no apprehension with regard to increased prices due to this tariff. I agree with my colleague the Minister of Finance when he says that whether they be products of the farm, of the mine or of the forest, or the general products of industry in this country, I sincerely hope all commodities experience a substantial increase in value within the next year or two. I think there is not a country in the world, or any government, or any leader of agriculture or industry, but will join in the fervent expectation and desire that commodity prices will increase, so I would not for a moment say that the prices of barbed wire will not increase in the next two or three years. I hope barbed wire will increase in price, as my colleague has said, just as I hope wheat, butter, lumber, copper, iron, fish and all other products will increase in price.

Mr. GARLAND (Bow River): Before the minister sits down I should like to ask him just one question on that point of prices. Would the minister give the committee the average wholesale price of barbed wire at Fort William for each of the last four years?

Mr. STEVENS: I have not that information under my hand.

Mr. GARLAND (Bow River): It is rather important.

Mr. STEVENS: I will endeavour to secure that information, but I could not give it to my hon. friend offhand. I presume it can be secured from some of the trade journals, and I will endeavour to have that done.

Mr. GARLAND (Bow River): I thought the experts would have that.

Mr. STEVENS: I am sorry I do not have it before me.

Mr. GARLAND (Bow River): Could the minister give the price last year?

Mr. STEVENS: No.

Mr. GARLAND (Bow River): The Prime Minister was able to give a figure.

Mr. STEVENS: The Prime Minister mentioned the figure of $2.32 as the price in Canada.

Mr. GARLAND (Bow River): I want the comparative figures for the last four years.

Mr. STEVENS: I will say this: Bearing in mind the fall in the prices of the basic commodities that enter into the manufacture of barbed wire, such as pig iron, steel billets, rods, bars and so forth, I would say there has been a considerable diminution in the price as compared with 1930, 1929 and 1928. I would hazard that guess.

Mr. GARLAND (Bow River): Undoubtedly there should have been a drop, but we do not know whether or not there has been.

Mr. STEWART (Edmonton): There has been a great fall in the price of the raw products.

Mr. STEVENS: Yes, and I imagine there has been a drop in the price of the finished article. I will hazard my recollection, not based upon anything definite before me; it is that the price of barbed wire three years ago was something like $3. I think that is a fairly accurate statement.

Mr. RALSTON: I should like to say just one word in reply to my hon. friend. The tortuous argument into which he has been driven and in which he has become entangled shows to what extremities hon. gentlemen opposite must go in order to becloud what is the real issue in connection with this item. My hon. friend, who is usually pretty logical, I think went pretty far afield in his endeavour to get some comfort from the fact that I had pointed out to the Prime Minister that section 43 was there to be used if the condition which he considered existed made that action necessary in his opinion. I just want to remind the committee again that I was endeavouring, if I could, to find the justification for the ten per cent duty. The right hon. Prime Minister had said that the ten per cent duty was necessary in order to protect the Canadian manufacturer and the Canadian workman. I was pointing out to him that section 43 provided specifically that the governor in council might, if they found the interest of Canadian manufacturers in their opinion prejudicially affected, put on a special value for duty purposes.

I want to say to my hon. friend that when he reads Hansard I do not think he will find that I made any suggestion or conveyed any idea such as he suggests, that I approved of section 43. If the minister will look at the record of the debates at that time he will find that I opposed as strenuously as I could just the sort of thing contained in that section. I pointed out that it was placing in the hands of the government a power which they were not entitled to exercise, the power of parliament to impose taxes and duties. I say to my hon. friend as positively and seriously as I can that I do not approve of section 43 and never have approved of it. I simply said to his leader, "If you were in the straits you have suggested, do not tell

us you had to put on a ten per cent duty. Two years ago you took power to impose a special dumping duty by fixing a market value for duty purposes."

I just want to make this further point; I believe that already my hon. friend and the government to which he belongs are coming to realize—and it arises out of this imperial conference—that the provisions of section 43, and similar provisions, are not good for the trade of the dominion. We find in this agreement a provision whereby the surcharges on British goods are to be removed just as soon as possible, and this is one of the surcharges. So let my hon. friend take no comfort whatever from the fact that I referred his leader to section 43. I was only showing that he had ample power to accomplish the purpose he said he desired to accomplish, without putting on a 10 per cent duty. My hon. friend has not answered the contention made from this side of the house, that there was no reason under the sun for putting a 10 per cent duty on barbed wire at this time, and making it binding on us for five years, except one. That one was that he felt that putting 10 per cent on when the budget is brought down would be only fixing it from year to year, and that therefore the Canadian manufacturer would not have the benefit of a fixed agreement such as we have in the pact now before us.

Mr. STEVENS: My hon. friend has said that he opposed the adoption of section 43. May I remind him that he was a member of the government that first put section 43 on the statute books, which at that time was limited in its application to natural products. All we did was to enlarge it and apply it to other products. My hon. friend was in the government that originated the legislation and approved of the principle. We only extended the application of that principle.

Mr. RALSTON: I want to tell my hon. friend that I was not a member of the government which took that action; that was done before my day. As he says very fairly, the section only applied to a limited list of agricultural products, and at that time it was bitterly opposed by the then leader of the opposition.

Mr. RYCKMAN: The section was general in its application to natural products.

Mr. COOTE: I should like to bring to the attention of the committee and of the minister one point that as yet has not been mentioned in connection with this question of barbed wire. My point is that the price the farmer receives for his cattle is the only money with which he can buy barbed wire. The Prime Minister stressed the fact that we had a big advantage in connection with barbed wire in that it was sold here at $2.32 per hundredweight as compared with $2.60 in the United States. I find that yesterday the top price for cattle in the Toronto stockyards was $4.50, and that at Chicago it was $8.50, or almost double the Canadian price. The United States farmer, we see, has more money with which to buy barbed wire, though I imagine he gets that wire as cheaply as the Canadian farmer buys it.

There is another point which I think has been overlooked; it is that in connection with many of these articles the farmer must pay the retail price, whatever that may be. Very often the farmer cooperatives find that they cannot fill their requirements from Canadian manufacturers or jobbers. In some cases they have refused to sell cooperative associations and the cooperatives have had to get their supplies from outside. I do not know whether that condition has ever obtained in connection with barbed wire, but it has in many other commodities; and once this duty is placed on barbed wire, any Canadian cooperative concern which wishes to secure barbed wire for its customers, may have to go outside for its requirements and pay this duty. It seems to me that wherever a tariff is put on for the benefit of the manufacturers there should be provision that they shall sell freely to cooperative organizations on the same terms as to jobbers and regular wholesalers. This I think is a very important point. It is owing to the tariff that certain wholesalers, jobbers and manufacturers in Canada persistently refuse to sell to cooperative organizations. I would suggest to the government that they insert in the customs tariff the provision that wherever there is a refusal to sell to cooperative organizations the tariff will be taken off.

Mr. MULLINS: The hon. member for Lisgar declares that we are merely sitting in our places over here and are afraid to speak. May I say for his information that in Marquette we are buying barbed wire cheaper today than ever before; it has not advanced one iota. Another thing I want to tell him is that we are not so keen on the use of barbed wire; we prefer Page wire. Good farmers will fence their farms with Page wire. You can pick out every member on the other side who fences his farm with barbed wire and you will find that he has a coil of it in his stomach. I remember the hon. member for Lisgar rising in his place a short time ago and lamenting about hides. Does he know that the hides of cattle in Canada are ruined by barbed wire? I would advise every farmer

in Canada to fence his farm with Page wire. If the farmers would do this it would raise the price of their hides, and there would be no need for us to go to South America to bring in hides, as we are forced to do, selling our own hides at a ridiculous figure. The hon. member for Macleod compares the prices of cattle in Canada and in the United States. A good herd of cattle will sell at 5 cents when poor ones are not worth half a cent. I do not know what he is comparing them with. I have become tired of listening to these arguments, because they are all wrong. Let the farmer fence his farm with as much Page wire as he can and get away from this barbed wire argument, which is not helping agriculture one bit. I will say this to the hon. member for Lisgar. If any duty is raised through action on this side he will hear me speak about it, because it will be taken away if I have anything to say about it, and propaganda such as he is putting forward for political purposes will not be worth anything when the time comes for him to go to the country.

Mr. BROWN: The hon. member for Marquette is always amusing if not convincing. He says they are buying barbed wire in Marquette cheaper today than ever before. I cannot accept that statement as being in accordance with the facts because I am quite certain that the price is no lower in Marquette than it is in Lisgar, and it is not as cheap in Lisgar today as it has been in the past. However, that is not important.

Mr. MULLINS: There is not nearly the demand for barbed wire in Marquette that there is in Lisgar.

Mr. BROWN: The hon. member says that we should fence with Page wire instead of barbed wire. I agree with him absolutely.

Mr. YOUNG: What is the duty on Page wire?

Mr. BROWN: Does he think of the difference in the cost? The hon. member for West Hamilton can sit back in a comfortable chair, knowing nothing about the concerns of the farmer, and criticize me for not being as temperate as the hon. member for Red Deer. This is the second time my conduct has been compared with that of the hon. member. All I can say is that if hon. members opposite knew as well as I know, from practical experience extending over a great many years, the conditions that confront the farmers today, they would not be able to present the case as temperately and unconcernedly as some of them do. Will the hon. member for Marquette agree to support me—

Some hon. MEMBERS: No.

Mr. BROWN: —in advocating a reduction in the duty on Page wire? He ought to know, as we all know, that to fence with Page wire involves a tremendously higher cost than the use of barbed wire. It costs almost a fortune to fence a farm today with Page wire. This is my personal business, but I may tell the hon. member that I put a sheep fence around a quarter section two years ago and it cost over $600, and if I had not had old posts of my own the cost would have been a great deal more. Hon. members must bear in mind that the posts for Page wire also cost a good deal more. Why does not the hon. member for Marquette come forward and advocate a reduction in the duty on Page wire? If he did so he would see how far he would get with hon. gentlemen opposite. So much for my hon. friend from Marquette. The Minister of Trade and Commerce, who is astute in diverting an argument from the strict point at issue, said that our objections were based upon the assumption—these may not have been his exact words—that immediately prices would be raised. Now, we know perfectly well and he knows that the business men, the manufacturers, are too astute to raise their prices immediately. But is it not to be expected, in the light of past experience, that the increase in duty will result in an increase in price? I am amazed—perhaps I should not say amazed, because nothing that happens on the other side amazes me now—rather, I might say that it is strange that farmer members opposite should accept the assurance of the government that prices will not be raised as a result of the increase in the duty, notwithstanding that they were firmly convinced that the increase in the duty on butter would result in an increase in price to the farmer. Why, the very purpose of putting on tariffs is to raise the price. That has been admitted again and again. While, therefore, we may not expect an immediate rise in the price of barbed wire, we must remember that this agreement extends over five years. Furthermore, while we have agreed in this treaty to maintain a margin of preference, that is to say, of 10 per cent as between free and 10, there is nothing in the agreement that will prevent the rasing of the duty on barbed wire from 10 to 20 per cent in the next five years. I do not fancy that will be forbidden under the terms of the agreement. Since the government has entered upon the course of protecting the manufacturer in Canada to the extent of 10 per cent, we have no assurance that hon. gentlemen opposite will not continue in the path in which they have started.

Mr. SPEAKMAN: I am sorry that the minister could not give the hon. member for Bow River the information asked for in respect of prices for each of the last two or three years, because I have in mind that the price of iron and steel, the raw material, having dropped considerably in the last two or three years, wire should show some corresponding degree of diminution. As a matter of fact, without knowing the relative prices both of iron and steel and of wire during the last two or three years, we are not quite certain whether the dump price paid for Dutch wire or the price paid for Canadian wire is really a fair price when you consider the cost of the raw material itself.

Mr. MULLINS: May I ask the hon. member for Lisgar why he fenced that quarter section of land with Page wire.

Mr. BROWN: To hold the sheep in.

Mr. MULLINS: For the simple reason, if he put the sheep in there with that barbed wire, he would see the wool hanging on the wire all over the place. He knew the barbed wire would strip the sheep and that is why he used the Page wire. Why did they stop using barbed wire in Belgium? Why did they ship it over here and dump it into this country? They did so because they knew they could not use it successfully on their farms, and any farmer that uses other than Page wire is making a mistake. It is better for him to fence his farm with Page wire even if it does cost a little more. We in Marquette are getting pretty well away from barbed wire, but I cannot speak so definitely about the district from which the hon. member comes. I know we prefer to fence our farms with Page wire rather than barbed wire. Barbed wire, however, is not costing any more today—and I am speaking of the present time—than it did previously; it is to my knowledge, as cheap today as it ever was in Marquette.

Mr. BROWN: That has nothing to do with the case.

Mr. STEWART (Edmonton): I do not think I would have risen had it not been for the fact that the hon. member for West Hamilton (Mr. Bell) would seem to wax somewhat eloquent in defence of this increase in duty, and that the minister assures us there will be no increase in price. It will be something new in the calendar of prices if there is no increase when a duty is imposed. Obviously, the object in imposing a duty is to keep competition out. I admit we are human and are always ready to get whatever we can under the provisions of this agreement.



Mr. BELL (Hamilton): Oh, oh.

Mr. STEWART (Edmonton): I am unalterably opposed to this agreement, but there is one industry in Canada and that is rubber, where they have not been taking full advantage of the duty which is provided.

Mr. BELL (Hamilton): That is very human.

Mr. STEWART (Edmonton): That is human for a manufacturer. What I wanted to remark was this: like my colleague from the east I am surprised that the dumping duty was not invoked. I must congratulate the government on the fact that this is one item in connection with which they did not invoke the dumping duty when they had an opportunity to do so. That, in itself, however, makes me rather suspicious of the increase.

There are some very interesting things in connection with this increase. One of them is that there has been a reduction in connection with raw products entering into the manufacture of wire and it is rather remarkable that wire, unlike wheat, cattle and sheep with which the hon. member for Marquette has endeavoured to pull the wool over our eyes, has not dropped seriously in price. One would look for a greater reduction. My complaint is that the excessive tariff imposed by my hon. friends opposite has been the cause of this. When they were able to invoke tariffs, world prices prevailed, but the farmers are suffering a very severe reduction in the prices of their commodities. My hon. friends from West Hamilton and South Essex and some others must have known who were the users of upholstery. The farmers have not an opportunity of using it these days; they sit on wooden seats. As regards wire entering into the manufacture of upholstery the duty is just one-half that on barbed wire. It is remarkable how much information the Prime Minister, a bachelor, has about ladies' apparel. There is no increase in the duty on steel entering into the construction of stays. That is allowed to remain at five and a half per cent or one-half the amount charged against barbed wire. My hon. friend can sit and read his paper in comfort on springs, the duty on which is one-half that upon barbed wire.

Mr. BELL (Hamilton): They do not wear stays nowadays.

Mr. STEWART (Edmonton): Where did my hon. friend get the information? I was

not aware of that; I thought they were still in use. The fact that they are not used any more of course explains why this government did not put a duty on them. It is remarkable that while hon. gentlemen are satisfied to admit free of duty articles which they in urban localities have to use and which they may require as a raw product in their manufactures, wherever the chance arises they give their unanimous approval to any proposal to soak the consumer a little bit more.

Mr. CAMPBELL: As regards prices, I should like to put on record some figures that have been sent to me in correspondence I have had from the west. My information is that a new price list was issued by the Canadian manufacturers of barbed wire on September 27, 1932. This was an increase of nineteen cents for a spool of barbed wire to wholesalers. My correspondent says that by the time this reaches the farmer it would probably mean an increase of from 30 to 35 cents per spool. This, of course, had nothing to do with the treaty; the treaty could not be blamed for fixing this price, but the application of the dumping duty against importations of barbed wire from Holland prior to that is blamed as being the cause of this. I do not know whether that is so or not. Possibly the minister could give us some further information with regard to these prices.

There is one thing to which I wish to draw the minister's attention. In a letter which I have from a western importer, he states that in November, 1932, the continental price of standard barbed wire was $48.80 for 2,240 pounds in Canadian funds. He quotes the same quality of barbed wire in Britain at $72.50 per 2,240 pounds in Canadian funds. His whole argument is that ordinarily it is utterly impossible for barbed wire manufactured in Britain to come into Canada. Of course I am not altogether convinced that is true, because I find from the figures quoted in Trade of Canada we imported for the twelve months ending March, 1932, barbed wire to the following amounts:

| From | Value |
|---|---|
| Great Britain | $10,382 |
| United States | 39,076 |
| Belgium | 28,330 |
| Germany | 13,470 |
| Netherlands | 33,752 |

It would appear fairly obvious that if there were the disparity in prices which these figures indicate, it would be impossible for this barbed wire to come in from Great Britain. The minister, however, might enlighten us upon this question because it is very important as to the relative prices on barbed wire manufactured on the continent and in Great Britain.

I may say that the same importer points out in his letter that a Hamilton manufacturer of barbed wire charges $2.47½ per spool for standard barbed wire, four-point, delivered at Fort William, but the same manufacturer ships that down the St. Lawrence river, around the Panama canal, up the Pacific ocean to Vancouver and delivers it there for $2.35 a spool to meet competition. He is endeavouring to prove that the application of the dumping duty did give the local manufacturer an opportunity to act in restraint of trade, to take advantage of the local consumer in eastern Canada and on the prairies. Possibly the minister might give us some information on that point. I would ask him particularly if he has any information to confirm or challenge the figures given to me by this wholesaler as to the difference in price between British and continental barbed wire. I will send the papers over to the minister so that he can have a look at them.

Mr. STEVENS: I am sure that my hon. friend will realize that one cannot, merely by looking at figures given by one wholesaler, confirm or contradict the figures. The hon. member for Vancouver Centre a few moments ago gave comparative figures as to the British and continental prices, showing the price in Great Britain higher than on the continent. I can neither confirm nor challenge the figures. But what I do wish to point out to the committee, as I have already done, is this: We do not deny, in fact we know, that at the present time and for the last year or thereabouts there has been a definite dumping of this commodity from the continent of Europe, and we know pretty well how they evade the dumping section of the act. But as I intimated a moment ago, we do not consider we are justified in calling upon the Canadian industry or Canadian dealers to fix a definite and fair price based upon a deliberate dumping from a foreign country. This dumping is a class of business which unfortunately has been going on all over the world. Everybody deplores it, and I think there is a genuine desire on the part of all countries to get away from it. I think it is more or less useless to go into a long discussion of it. One thing is certain, that the price of barbed wire today is lower than it has been for several years. We do claim also that the Canadian industry has treated the Canadian consumer with absolute fairness, and I do not think anybody challenges that statement.

Mr. SPENCER: Does not the minister think the price of barbed wire ought to be lower in view of the price of farm products?

Mr. STEVENS: I have already admitted that. There is no doubt that there ought to be a lower price today than previously because of the drop in the price of raw materials. May I point out one thing in that regard? The hon. member for West Edmonton a few moments ago said that there had not been a corresponding drop in the retail price as compared with farm products. That is true. Why? Largely because wages have not fallen. I am not prepared at all to subscribe to the doctrine that there should be a wholesale drop in wages, but that is one of the fixed charges which have not come down in correspondence with the fall in commodity prices. What we are all hoping for is a restoration of fair commodity prices so that there may not be any need for a serious reduction in wages, which would add to the distress of the country still further.

Mr. CAMPBELL: I quite appreciate what the minister says with regard to the domestic price of barbed wire. I went into this matter very fully and I find that in Canada in September, 1900, the price of galvanized barbed wire was $2.80 per spool, and that the price ran as high as $4.80 in 1920, after which there was a progressive drop to $2.60 in October, 1932. The price is lower today than it was in 1900.

But the principal point that I wished to make in the remarks I addressed to the minister was with respect to the alleged difference between the British and continental prices. It is possible that the prices quoted for continental barbed wire were distress prices, not the regular prices, but the figures quoted to me and which I gave to the committee a moment ago showed the British price to be fifty per cent higher than the continental price. If that be the case there is no possibility of barbed wire coming into Canada under this item at all. It would simply mean an increased price to the consumer. Further, the figures showing that there were importations from Britain last year nearly equal to the importations from different continental countries would seem to disprove that alleged difference in prices, because if there was that difference in prices certainly no barbed wire would have come in from Great Britain. These figures, however, have been broadcast throughout the country, and I think most hon. members have received the same telegrams and communications that I have, and if the minister has any prices available, I think they should be put on record to show whether the figures I have quoted are correct or not.

[Mr. Spencer.]

Mr. STEVENS: I have had a very brief opportunity of glancing over the paper my hon. friend has sent me. I notice that it is a statement computed by a Canadian firm on the Pacific coast representing a Holland exporter; that is, it is an importing firm on the Pacific coast representing Holland interests. I also notice that the figures quoted are the same as those given by the hon. member for Vancouver Centre. I think it would be most unfair to the British manufacturer to accept without careful checking prices given by the representative in this country of Britain's competitors. I do not know anything that could be more unfair than that. I do not say that this gentleman would deliberately mislead, but of course he is working in his own interests, and he wishes to preserve the continuance of what we know to be the dumping of continental barbed wire on to this continent. He represents those who are doing the dumping and consequently I would be very hesitant to accept his figures as fair. I would not say that they are not right because I have not had time to check them.

Mr. CAMPBELL: Like the minister I feel that the figures may not be correct in view of the fact that we did import a very considerable quantity of barbed wire from Great Britain last year, which would hardly have been possible if there had been such a difference in price.

Mr. MOTHERWELL: As I see it, this tariff item effects three purposes. It gives the country an opportunity to understand what the government meant when they said they were going to make the tariff fight for the farmer. It affords protection to a manufacturer when the interests of that manufacturer conflict with that of the consumer. Apparently the manufacturers of barbed wire got along very nicely for nearly a third of a century with barbed wire on the free list, until we came to a time quite recently when barbed wire came into this country from Holland at a cheaper price. That was too good a break to let the farmers, the buyers of barbed wire, enjoy. That would never do. A break in favour of the farmers was something that this government could not entertain. Therefore they came to the rescue of the manufacturer and put a ten per cent duty on barbed wire. Is that a fair way of putting it, Mr. Chairman? I think it is. Free barbed wire for many years operated satisfactorily, and stood up against competition. At this time, however, when farmers are in difficulties—I was going to make

specific mention of the dairymen, but I shall speak generally—when all farmers are at the bottom of the ditch, and at a time when before long the whole country will be in the same ditch, drastic tariff changes upwards are made and pegged. This tariff change also permits the ministry to pad up still further the list of more or less fictitious preferential duties in favour of the motherland. When we come to the item concerning cream separators we will have a further very striking example of this fact.

These tariff changes serve another purpose, namely, that of gradually widening the gulf concerning tariff matters existing between the ministerial and opposition sides of the house. I am sorry for those who have to use barbed wire, because indigestible as it may be I am a consumer myself. I think the tariff issue between the two historic parties will be made more clear by this objectionable change of putting barbed wire off the free list so that when we go to bat next time we will know exactly where the government stands, and will have a clear conception of just how the government seeks to make the tariff fight for the farmers of Canada. I think hon. members will agree that this discussion will not effect any changes in the schedule now before us, but I felt I should voice my protest as strongly as possible. Possibly I shall have something further to say when we come to another item, cream separators, which in my view is equally outrageous.

Mr. POULIOT: Is there a clause in the agreement which prevents re-export from Great Britain?

The CHAIRMAN: Order.

Mr. POULIOT: I am in order.

The CHAIRMAN: No.

Mr. RHODES: No doubt the hon. member is aware of the provision which calls for empire content of not less than 50 per cent. Possibly that is the provision he has in mind.

Mr. POULIOT: Is the minister sure Great Britain will not import cream separators from the United States and send them back to Canada?

The CHAIRMAN: Order; we must confine ourselves to the item in question.

Mr. POULIOT: I am doing so.

Mr. RHODES: That action cannot be taken in regard to cream separators.

Mr. GOTT: I have listened to the debate on this item, and the only two objections I have heard from hon. members opposite are, first, an objection to buying British goods and second, an objection to buying Canadian goods. Of the two evils the latter is the greater.

An hon. MEMBER: That is very pretty.

Mr. BROWN: That is a distinct contribution to the debate.

Mr. POULIOT: Change your wires.

The CHAIRMAN: The next item is—

Mr. MACKENZIE KING: We have not yet agreed to item 401; I understand we have only covered the first part of it.

The CHAIRMAN: No, I read it all.

Mr. MACKENZIE KING: Although there is not much more to be said in regard to the barbed wire item, there are one or two general comments I should like to make. I draw the attention of the committee to the fact that subsections (a), (b), (c), (d), (e), (f) and (g) of item 401 contain no changes in the British preferential rates. There have been four changes in the general tariff. In two cases the change is from free to 10 per cent, in another from 20 to 25 per cent, and in another from 30 to 35 per cent. In the intermediate tariff there are changes in all seven sections of the item. They are as follows: From free to 10 per cent; from 22½ to 25 per cent; from 15 to 20 per cent; from free to 10 per cent; from 17½ to 20 per cent; from 25 to 30 per cent and from 17½ to 20 per cent. The purpose of the changes in the intermediate tariff is to bring the intermediate rates to the same level as those appearing in the general tariff. These changes make it difficult, if not impossible, to negotiate agreements with other countries wishing to trade with Canada. It may be all very well to consider the advantage of the British preference as it applies to a British industry, but when we look at the iron and steel schedules as a whole we find that it is a case of carving up the industry of the British Empire in the interests of manufacturers. Where changes have been made they have been made for one group of manufacturers to serve the interests of other manufacturers. That might be well enough if some advantage ultimately accrued to the consumer, but it cannot be supported when in the long run the added cost is passed on as extra taxation to the consumer. Giving an advantage through the British preference must not be considered from the point of view of one industry alone, but from that of the country as a whole. Our objection to the schedule in its entirety is that there has been consideration for only that which is of

advantage to the manufacturers concerned in the iron and steel business in its different forms, and that it ignores altogether the injurious effect the changes will have on other interests in the country, particularly the great consuming public.

Item agreed to.

Customs tariff—406: Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel:
(b) less than one and one-eighth inches in diameter: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. RHODES: The imports under this item last year amounted to only $46,000. Of that amount $25,000 came from the United Kingdom, $10,000 from the United States and $11,000 from other countries.

Mr. MACKENZIE KING: There again is the same objection. The British preference remains just where it was, but the general and intermediate tariffs have been shoved up five per cent. In each case the tariff was very high before, standing at 20 per cent, and it is now at 25 per cent. The object is not only to raise the tariff, but, as has been pointed out, to peg the price for the next five years so the Canadian manufacturer may be sheltered behind excessively high tariffs during that time.

Mr. DUFF: What was the value of these goods manufactured in Canada last year?

Mr. RHODES: It is impossible to give an accurate answer because they were not classified separately. The total production of which this would form a part was $1,000,000.

Item agreed to.

Customs tariff—407a. Chains, of iron or steel, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. RHODES: The imports last year were valued at $89,000, of which $12,000 came from the United Kingdom, $75,000 from the United States and $2,000 from other countries.

Mr. MACKENZIE KING: Mr. Chairman, could there be an example more palpable than this of endeavouring to increase the tariff under the pretext of giving Great Britain an increased preference? The British preferential rate remains at 20 per cent, the same as it was previously. If the government had wished to give a real preference to Great Britain they could have lowered the tariff to 15 per cent or 10 per cent. But instead of doing that they shove up a tariff standing at the high figure of 30 per cent, making it 35 per cent. Further, they changed the intermediate rate from 27½ per cent to 30 per cent. This is an instance of simply increasing protection without in any way helping the Britisher.

Mr. NEILL: This change in tariff will add to the cost of logging in British Columbia: my hon. friends from British Columbia reproached me the other day for not being wildly enthusiastic about the agreement, this item is an illustration of why I am not. No doubt it will increase very considerably the cost of operating in logging camps.

Item agreed to.

Customs tariff—408. Malleable sprocket chain and link belting chain, of iron or steel, including roller chain of all kinds for operating on steel sprockets or gears, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: The imports under this item last year amounted to $24,000, of which $6,000 came from the United Kingdom and $18,000 from the United States.

Mr. MACKENZIE KING: This, as the ex-Minister of Agriculture (Mr. Motherwell) has said, is just another instance of tariffs being made to fight against the farmer. The item relates to articles which enter into agricultural implements. The policy of the late Liberal administration was to free agricultural implements from duty as far as possible, and this item was free all across. Hon. gentlemen have left it where it was under the British preference, but they have put the duty up to 10 per cent in the intermediate and 10 per cent in the general. The minister has just shown what a small proportion came from Great Britain compared with the amount imported from other countries. It is another instance of a tariff for manufacturers, made by manufacturers, and put on the statutes by a manufacturers' government.

Item agreed to.

Customs tariff—409. Cream separators and complete parts therefor, including steel bowls: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MOTHERWELL: I understood from a remark made by the Minister of Trade and Commerce a few days ago, when someone mentioned cream separators, that he had good justification for making this change. We would like to hear his alibi right now.

Mr. STEVENS: And I trust it will end the matter. It has been alleged that there is no value in this item, as regards the extension of British empire trade, because we do not bring cream separators from Great Britain.

Another allegation was that this will merely result in an increase in the price. I am going to deal briefly with both those points, but I hope as completely as necessary. First may I say that Canada will have access to other markets for cream separators. That should be borne in mind. Cream separators were introduced into this country, as far as Great Britain is concerned, about forty years ago, and it is rather interesting to know that the head of the firm which introduced the first cream separator into Canada at that time, was R. A. Lister of the R. A. Lister Company. I had a call the other day from the son of the gentleman who was and I assume still is the head of this firm, and had an opportunity of discussing the question with him from the standpoint of trade with Great Britain. This company sold very substantial quantities of cream separators to Canada. The history of the business is divided into pre-war and post war periods. This old country firm manufactured cream separators very extensively up to the outbreak of the war, when they turned their plant over to the British government for the manufacture of munitions, and the exportation of cream separators to Canada virtually stopped. They have exported some few to this country since. Another point is that very substantial quantities of cream separators have been imported annually into Canada from other countries, notably the United States and Sweden. Sweden, as hon. gentlemen will recall, is among the best manufacturers of this article in the world, they are very efficient and their product is very good. I will give a statement which with the permission of the committee I will place on Hansard:

Canada's imports of cream separators, with amount of imports from the United Kingdom, the United States, Belgium and Sweden

| Years ended March 31st: | | Canada's total imports | Imports from: United Kingdom | United States | Belgium | Sweden |
|---|---|---|---|---|---|---|
| 1910 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 585,148 | 87,035 | 487,261 | .... | 4,081 |
| 1911 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 387,340 | 91,874 | 263,384 | 11,930 | 10,669 |
| 1912 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 361,896 | 97,097 | 236,311 | 13,938 | 7,285 |
| 1913 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 467,849 | 94,264 | 350,518 | 6,888 | 15,009 |
| 1914 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 401,399 | 43,200 | 303,439 | 24,407 | 25,971 |
| 1915 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 408,702 | 41,016 | 291,959 | 39,619 | 27,927 |
| 1916 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 304,403 | 14,456 | 258,276 | .... | 31,092 |
| 1917 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 334,456 | 11,476 | 296,967 | .... | 25,443 |
| 1918 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 477,880 | .... | 468,680 | .... | 9,200 |
| 1919 (a) | No. | (b) | (b) | (b) | (b) | (b) |
| | $ | 651,991 | 730 | 594,083 | .... | 57,178 |
| 1920 | No. | 19,487 | 840 | 17,598 | 250 | 799 |
| | $ | 749,022 | 27,878 | 687,086 | 16,271 | 18,487 |
| 1921 | No. | 24,383 | 1,821 | 18,323 | 1,124 | 3,114 |
| | $ | 956,785 | 101,557 | 686,033 | 88,833 | 80,106 |
| 1922 | No. | 8,088 | 688 | 4,450 | 1,631 | 1,319 |
| | $ | 314,202 | 25,699 | 189,737 | 62,241 | 36,525 |
| 1923 | No. | 5,530 | .... | 4,662 | 402 | 447 |
| | $ | 229,656 | .... | 200,437 | 12,969 | 14,314 |
| 1924 | No. | 12,030 | 313 | 8,757 | 1,076 | 1,871 |
| | $ | 509,973 | 10,973 | 420,867 | 30,473 | 43,768 |
| 1925 | No. | 10,998 | 130 | 5,581 | 1,339 | 3,575 |
| | $ | 408,787 | 1,748 | 263,621 | 46,625 | 81,652 |
| 1926 | No. | 18,055 | 943 | 10,614 | 661 | 4,424 |
| | $ | 742,794 | 25,984 | 545,111 | 19,800 | 97,828 |
| 1927 | No. | 23,658 | 235 | 13,892 | 1,552 | 6,208 |
| | $ | 997,548 | 7,218 | 729,263 | 32,511 | 154,166 |
| 1928 | No. | 16,910 | .... | 7,676 | 2,177 | 5,164 |
| | $ | 611,245 | 17 | 357,270 | 79,157 | 106,802 |
| 1929 | No. | 19,451 | 521 | 10,112 | 2,494 | 4,527 |
| | $ | 853,495 | 11,862 | 586,484 | 96,446 | 100,532 |
| 1930 | No. | 22,010 | .... | 11,328 | 1,844 | 6,525 |
| | $ | 955,182 | .... | 681,530 | 63,502 | 129,926 |
| 1931 | No. | 23,838 | .... | 14,763 | 2,653 | 5,218 |
| | $ | 1,089,904 | .... | 859,311 | 85,953 | 106,701 |
| 1932 | No. | 10,530 | .... | 5,920 | .... | 3,937 |
| | $ | 455,721 | .... | 338,323 | .... | 103,663 |

(a) including steel bowls for cream separators to 1920.
(b) entered at value only as far as 1920.

The importations from the United States, roughly speaking, averaged $350,000 a year during this period. Belgium in the first ten years exported practically none, but during the last ten years Belgium has exported a very considerable number. I have not all the figures for 1932, but I notice that Sweden also shipped a considerable quantity of cream separators to Canada during that period. Those importations were as follows:

| | |
|---|---|
| 1910 | $ 4,081 |
| 1911 | 10,669 |
| 1912 | 7,285 |
| 1913 | 15,009 |
| 1914 | 25,971 |
| 1915 | 27,927 |
| 1916 | 31,092 |
| 1917 | 25,443 |
| 1918 | 9,200 |
| 1919 | 57,178 |
| 1920 | 18,487 |
| 1921 | 80,106 |
| 1922 | 36,525 |
| 1923 | 14,314 |
| 1924 | 43,768 |
| 1925 | 81,652 |
| 1926 | 97,828 |
| 1927 | 154,166 |
| 1928 | 106,802 |
| 1929 | 100,532 |
| 1930 | 129,926 |
| 1931 | 106,701 |
| 1932 | 103,663 |

A review of these figures indicates that we have had very material quantities of cream separators imported into this country. Great Britain, one of the earliest producers of cream separators, and one of the countries that in the earlier days prior to the war shipped us considerable quantities, is capable of producing and marketing cream separators in Canada successfully. In addition, I am assured by the representative of the British firm to which I have referred that they have made contacts with Canadian concerns to distribute their cream separators in Canada in what they hope will be increasing quantities. In return, they have made arrangements for the distribution in Great Britain of such Canadian agricultural machinery as may be suitable to that market.

Mr. BEAUBIEN: Did this company in England make these arrangements before or after the conference?

Mr. STEVENS: They were made after the conference, and as a result of it. Now I should like to say a word in regard to production. I should like to give the imports in numbers, not in dollars, for the sake of comparison, with the corresponding figure for production in Canada. Then the committee will have in mind the extent to which the domestic production corresponds to the importation:



| | Imports | Canadian production |
|---|---|---|
| 1923 | 5,530 | 14,279 |
| 1924 | 12,030 | 11,155 |
| 1925 | 10,998 | 11,897 |
| 1926 | 18,055 | 17,649 |
| 1927 | 23,658 | 16,643 |
| 1928 | 16,910 | 14,921 |
| 1929 | 19,451 | 13,431 |
| 1930 | 22,010 | 8,616 |
| 1931 | 23,838 | 7,218 |

A comparison of these figures would indicate an increase in importations during the last ten years much greater than the production. In that regard it clearly shows the nature of the business in Canada. I submit to the committee in the first place that the British manufacturers of cream separators are competent to effectively supply this market. For the moment I am not suggesting that there should be a total exclusion of foreign cream separators, but I do submit that there is a sound case here for giving the British manufacturers a chance in this market, when you bear in mind that for our Canadian producers of cream separators we are securing equivalent treatment in the markets of the other dominions. In other words, we will have an opportunity to sell our goods in the other dominions just as freely as Great Britain can sell her goods.

Mr. STEWART (Edmonton): Have there been any exports from Canada?

Mr. STEVENS: Yes, I have the figures for the export of cream separators from Canada, which are as follows:

| | |
|---|---|
| 1923 | $176,190 |
| 1924 | 82,185 |
| 1925 | 108,698 |
| 1926 | 101,685 |
| 1927 | 100,092 |
| 1928 | 77,197 |
| 1929 | 51,991 |
| 1930 | 37,339 |
| 1931 | 30,792 |
| 1932 | 5,660 |

Mr. NEILL: Where did they go?

Mr. STEVENS: I understand that a very considerable quantity went to the United States, though some went to New Zealand and some, I think, to South Africa and Australia. I think we exported a considerable quantity to empire countries, though I have not those figures before me. Then we also had a considerable re-export business; that is, we exported foreign cream separators from Canada as well as those of domestic production.

Mr. STEWART (Edmonton): I suppose the machines exported are United States machines.

Mr. STEVENS: Not all, but I presume they were mainly United States machines; I think it would be safe to say that the great proportion of our re-export would be machines of American manufacture.

The point I am making is that in this business there is a capacity for expansion, both Canadian and British, without doing any injury to either the consumer or the producer in this country. As I have already indicated, we have received an added advantage in the markets of the other parts of the empire, and we are giving to Great Britain an advantage in this market so far as foreign competition is concerned. At the same time we have already developed in Canada a very healthy and substantial business in the production of cream separators. I questioned the gentleman with whom I spoke as to the price at which Great Britain could lay down those cream separators here; I must say that he spoke with reasonable reserve and I felt safe in putting confidence in what he said. He assured me that not only could they supply the market, but that the price would not be advanced over the price that had been paid for foreign separators as well as for their own. He told me there was no possibility or danger or likelihood of an increase in price because of this adjustment. I think they fully appreciate the value of this market for cream separators, and today are arranging for sales organizations throughout the country for the purpose of selling these machines.

Mr. STEWART (Edmonton): Did he disclose to the minister the reason why the British manufacturer got out of the market?

Mr. STEVENS: Yes, he did, and I am glad my hon. friend mentioned that. He said they lost their business during the war because they turned their factory over for the production of war materials. During that period they were agents for a Swedish cream separator company, and in their foreign business they acted for that company. While I am not certain who was the chief exporter to Canada of the cream separators recorded as from Sweden, I am reasonably sure that it was from this particular firm. Having got back into business again, they are now prepared from their British factory to supply this market in quantity.

Progress reported.

On motion of Mr. Rhodes the house adjourned at 6 p.m.

## Friday, November 18, 1932

The house met at 10.30 o'clock.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

EASTERN PASSAGE, N.S.—SEAPLANE STATION

Mr. ILSLEY:

1. (a) Are any seaplanes stationed at Eastern Passage, Halifax county, Nova Scotia, under the authority of the government or any department; (b) if so, how many; (c) if not, were any seaplanes stationed there since January 1, 1931, and how many, and for what period?
2. How many men are employed at Eastern Passage in connection with such planes, or with the station at which they are stationed, including pilots, observers, mechanics and watchmen?
3. Under the authority of what department or branch of the government's service do such men act?
4. What was the original cost of the planes which have been since January 1, 1931, or are now, stationed there?
5. What has been the cost of the maintenance of such station at Eastern Passage since the arrival of any planes there?
6. What has been the cost of transportation of planes, men and supplies to such station?
7. (a) How many government-owned motor cars are attached to such station; (b) how much did they cost, and what has been the cost of their maintenance and operation since their arrival there?
8. How many persons engaged in smuggling or rum running have been apprehended as a result of the presence at such station of such planes?
9. Has any property, smuggled or attempted to be smuggled, been seized as the result of the presence there of such planes? If so, what is its value?

PREVENTIVE SERVICE BOATS

Mr. ILSLEY:

1. What preventive service boats which were in the service in 1931, were disposed of in 1932?
2. What was the age of each of such boats, and the reason for disposing of them respectively?
3. What disposition was made of each of the boats so disposed of, and in the case of those sold, what was the sale price?
4. What are the names of the boats acquired by the preventive service in 1932, and what is the age of each boat so acquired?
5. As to the boats so acquired, were they purchased, leased or how otherwise acquired, and in the case of those purchased, what were the purchase prices respectively?
6. Have any of the boats acquired this year been conditioned or repaired since being so acquired, and if so, what has been the cost of such conditioning or repairs of each?

## MOTIONS FOR PAPERS

DISMISSAL OF ALLAN A. KENNEDY

Mr. DUFF (for Mr. Urquhart):

For a copy of all correspondence, telegrams, reports and other documents, relating to the

dismissal in or about the month of February, 1932, of Allan A. Kennedy of Inverness, Nova Scotia, from his position in the Department of Public Works as general repairer to telegraph services.

DISMISSAL OF MR. LOUIS LEMONDE

Mr. SEGUIN (for Mr. Fontaine):

For a copy of all telegrams, correspondence, reports, petitions, and other documents exchanged between the Post Office Department and any persons from July 28, 1930, with respect to the dismissal of Mr. Louis Lemonde, the postmaster at Saint Jean Baptiste, Rouville county; also a copy of all documents in the possession of the government relative to the said postmastership.

GASOLINE PRICES

Mr. REID:

For a copy of all correspondence exchanged between the provincial government of British Columbia and the Prime Minister or any minister of the federal cabinet, regarding the price charged the users of gasoline, between January 1, 1932, and September 30, 1932.

## CANADIAN POLICY IN THE FAR EAST

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to ask the Prime Minister a question which, if he is not prepared to answer today he possibly might answer on a future occasion: What, if any, is the policy of His Majesty's government in Canada in regard to the situation in the far east and to the Lytton report?

Right Hon. R. B. BENNETT (Prime Minister): I shall be glad to furnish the hon. member with an answer on Monday. Might I say to him that the whole question is sub judice and it is a question of policy which in its entirety I do not think should be communicated to the house at this time.

## DISARMAMENT CONFERENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The Prime Minister mentioned two days ago that we would probably receive a report of our delegates to the disarmament conference in the course of a few days. The report was being printed at that time, I understand.

Right Hon. R. B. BENNETT (Prime Minister): As the right hon. gentleman will realize, the conference has not yet concluded its labours, but the senior member of our delegation, the Right Hon. Sir George Perley, has furnished me with an interim report and I have been discussing with him just what action might be taken upon it. Whether or not I should lay upon the table the interim report and he should make a short statement or I a long statement is a matter which is not yet settled but which we shall deal with on Monday.



## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

The house resumed from Thursday, November 17, consideration in committee of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom—Mr. Bennett.—Mr. MacDonald (South Cape Breton) in the chair.

The CHAIRMAN: We were considering item 409.

Mr. BROWN: A few days ago I made some remarks with regard to cream separators, and on that occasion the Prime Minister said that when the explanation was given I would probably be satisfied. I presume that the explanation that was then said to be forthcoming was that given by the Minister of Trade and Commerce yesterday. I can quite understand that the reasons advanced by the Minister of Trade and Commerce were satisfactory to the Prime Minister and perhaps quite satisfactory to both the British and Canadian manufacturers, but surely, Mr. Chairman, we must have failed completely to impress upon the government our point of view if the Prime Minister thinks that the reasons that have been advanced can be satisfactory to us.

The Prime Minister has said that this agreement was based upon and consistent with Conservative policy during the past two years; that is, the policy of protection. We are quite willing to admit that is true, and it is just because it is true that we object to this agreement in general and to this item in particular.

The Minister of Trade and Commerce has told us that there would be no increase in price. His whole argument was based on the assumption that there would be no increase in price, but our objection to this item is that it will inevitably be followed by an increase in price. Just at that point we find the great difference between the position taken by the government and that taken by those on this side of the house. No increase in price? You will notice that the Minister of Trade and Commerce at page 1283 of Hansard said:

First, may I say that Canada will have access to other markets for cream separators. That should be borne in mind.

How can we have access to other markets for cream separators when we are imposing a prohibitory tariff against separators coming in from other countries? I submit, Mr. Chairman, that this 25 per cent duty is a prohibitory tariff and will necessarily exclude the separators which are now coming to us from Sweden, Belgium and the United States. So how can it be said that we shall have access to other markets? The separators that are now coming to us from other countries cannot possibly climb over a 25 per cent tariff wall. If the foreigner should attempt to come in over that tariff wall by reducing his price, we know what the attitude of this government would be and has been to an attempt of that kind. It used to be contended that the foreigner would pay the duty.

Mr. CANTLEY: So he does in many cases.

Mr. BROWN: My hon. friend from Pictou says, "So he does," but the government take mighty good care that the foreigner does not pay the duty. If the foreigner tries to put an article into this country at a price lower than it is selling for in his own country and tries to absorb the tariff, this government takes care that that shall not be done. How can the Minister of Trade and Commerce say that we shall still have access to other markets? The contention of the government is that this 25 per cent tariff will not increase the price. Again let me point out as I did yesterday the inconsistency in the arguments of hon. gentlemen opposite. They reduce the duties on cigarettes and liquor, and say that that will decrease the price. Possibly. Then they increase the duty on butter and say that that will increase the price. Then when it comes to barbed wire and cream separators, the imposition of a duty is to have no effect at all upon the price. That is the kind of argument we get from hon. gentlemen opposite. We maintain, Mr. Chairman, in spite of the assertions of the Minister of Trade and Commerce, that this 25 per cent duty will inevitably increase the price.

When some of these items have come before the committee and inquiries have been made as to the reason for the increased duty, the government has not been able to tell us from what quarter came the pressure for these new duties. In this instance we know from where the pressure came. According to the statement of the Minister of Trade and Commerce it came from the Lister firm, which, according to the minister, were the first to introduce cream separators into Canada. Well, possibly that is true. I may be wrong in this point, but I remember a separator known as the Alexandra which, I think, the Lister company introduced. When that separator was first sold in our part of the country one could hear it running a mile away. There may be other separators from England with the details of which I am not familiar.

Mr. STEVENS: The statement by the hon. member has been most unfair. Without accurate information under his hand he should not have made such a statement about a business concern.

Mr. BROWN: I am simply stating the fact.

Mr. STEVENS: No; the hon. member is knocking a firm about which he knows nothing. He does not know whether or not his statements are accurate.

Mr. BROWN: I am talking about separators introduced forty years ago.

Mr. STEVENS: I maintain that the hon. member has made a most unfair statement.

Mr. BROWN: Then, there is another feature to this matter.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Order.

Mr. BROWN: It is quite evident that one has no difficulty stirring up trouble in committee. I venture to say, however, that hon. members opposite who represent farming constituencies are just as much exercised over this matter as we are—and a good deal more.

Mr. ROWE: Not one iota.

Mr. BROWN: They are exercised not only from the standpoint of the farmers' interests, but from that of the next election.

Mr. ROWE: Not one iota.

Mr. BROWN: I am old enough to remember when Sir John A. Macdonald introduced his national policy. The reason given at that time was that the policy was introduced to protect infant industries. So, down through the years we have listened to the contention that infant industries should be protected. Later we have heard the argument that we should continue protection of decrepit industries. The Prime Minister himself has indicated that possibly there may be certain industries to which, if we had to begin over again, we would not afford protective tariffs. Since those industries have been established however, and in view of the fact that they cannot be continued without protection, he

proposes to support them. The position now is that while years ago we were asked to protect infant industries, we are now asked to protect inefficient industries.

But this agreement goes much farther than that. It asks us to protect not only infant industries in Canada but infant industries in Great Britain. It asks protection for industries which, perhaps for the reasons the minister has mentioned, have been unable to supply the Canadian market. Mr. Chairman, I object strongly to that practice. So far as I know the demand has never come from this side of the house, and certainly never from the organized farmers of Manitoba whom I represent, that the British people should tax their food for our benefit. We have never made that demand. Indeed, hon. members on this side of the house have declared definitely that such a demand would not be for the welfare or unity of the empire. Therefore, Mr. Chairman, I think I can quite properly take the ground that we resent any demand from English manufacturers that we should impose an additional burden upon our farmers for the benefit of either a new industry or industries in Great Britain for which there is hope of revival. That is a strain to which we should not be subjected; it imposes on us too great a sacrifice for the promotion of empire unity.

Then there is a further matter that I should like to call to the attention of the minister. As a reason for its acceptance by the committee the minister urged that the changed tariff would help the export trade of manufacturers of cream separators. Let us grant that that is true. That position however simply confirms us in the opinion we have expressed so frequently during this debate, namely, that this agreement was made not in the interests of consumers but in the interests of manufacturers and producers. Then, there is a further point to be taken into consideration in an agreement of this kind. We have heard a great deal about the demand for fair competition and fair opportunity to supply our own market. Let us see how this change intereferes with the right of farmers to have a fair opportunity in their own market. A few days ago I asked the Minister of Trade and Commerce a question concerning the dumping duties which could be used by other dominions in the event of cream separators being sold there at a price lower than they were sold in Canada. He replied, of course, that nations would have dumping duties when their interests were adversely affected. Of course I expected that answer; perhaps he thought my question was foolish. Nevertheless there is sometimes method in what appears to be madness.



Mr. STEVENS: Hear, hear.

Mr. BROWN: The point I wish to bring out is that we are brought into competition with other producers of dairy products. We are told again and again that in the production of butter New Zealand has natural advantages over Canada. That is perfectly true. But that is no reason why, in addition to those natural advantages, New Zealand should have a further advantage over us brought about by an act, not of their own but of our government, and one which places us at an artificial disadvantage. I do not know what the duty on cream separators in New Zealand is, I have not had time to look up the information. But I venture to say that in a country like New Zealand, whose products enter into competition with ours, their farmers, are not unduly handicapped by duties on cream separators. There may be small revenue duties, but I venture the assertion that farmers in that country are not handicapped by a heavy duty on cream separators; I venture the same assertion in regard to South Africa; I venture the same assertion in regard to Denmark. This last mentioned country is perhaps our chief competitor, at least one of our chief competitors, in dairy products in the British market. I venture to assert that the farmers of Denmark are not unduly handicapped in their business by duties placed upon cream separators.

This, Mr. Chairman, is an additional reason why we should oppose this item in the schedule, and why we lay so much emphasis upon it. Perhaps hon. members from other parts of the dominion, representing other industries, may not realize as much as we do the seriousness of this item. I do not think there is anything in the whole agreement which, from the standpoint of the great primary producer in Canada, is as objectionable as this most iniquitous tariff against cream separators.

Mr. BEAUBIEN: Mr. Chairman, were I not to voice my protest against this item I should be neglecting my duty. Yesterday the minister stated that a man named Lister came into his office and intimated to him that Great Britain could supply cream separators to Canada. I have information before me from a firm doing a large business in cream separators in western Canada. Any information I have received previously from this firm has been authentic. In this instance their statement is that Great Britain does not make the cream separators, so-called, that farmers

need for the separation of milk from cream. If the information this firm gives me is correct, and I feel certain it is, because the importations from Great Britain have been nil, we can arrive at no other conclusion than that the Canadian producer of dairy products will pay the extra duty of 25 per cent. The hon. member for Lisgar (Mr. Brown) mentioned that the reduction in excise on cigarettes and liquor had resulted in reduced prices. I can verify that, being quite a cigarette smoker myself; every time I buy a package of cigarettes I make a nickel.

An hon. MEMBER: You will make a lot of money!

Mr. BEAUBIEN: So if it works that way when the excise or duty is reduced it must work the other way when the duty is imposed or increased.

The information in this letter is, in part as follows:

> About eight or ten months ago I saw a financial statement of an English company which manufactures and distributes butter and other dairy products and the statement also mentioned that they manufactured dairy and creamery equipment. I wrote for prices on cream separators and was told that they made only heavy power separators for creamery use and that the small separators for dairy farms were imported from Sweden.
>
> I think it a great mistake to cut off the competition between domestic, American, Swedish and other countries in the matter of such a necessity of production as cream separators. We find that farmers are not able to buy separators now and complain that the cream cheques are so small that they cannot pay for the ones we have sold them.
>
> I know of only two Canadian makes, the Renfrew, made in Renfrew, Ont., and the Massey-Harris, which, I suppose is made in Toronto.

Mr. RYCKMAN: What about De Laval?

Mr. BEAUBIEN: He says he does not know whether De Laval separators are made in Canada or not, but he knows that a few years ago De Laval imported separators into Canada and sold them to Canadian dairymen.

Mr. STEVENS: What is my hon. friend quoting from?

Mr. BEAUBIEN: I am quoting a letter from a firm which does a large business selling separators to farmers in western Canada.

Mr. STEVENS: We would be better able to judge of the information if we had the name of the firm. I think we are entitled to the name. I gave my authority yesterday.

Mr. BEAUBIEN: I expected that from the minister, and I am prepared for it. I am doing exactly what the minister and the right hon. Prime Minister have done; they read letter after letter without giving names. The Prime Minister even read a letter last year from a lady who commended him for reducing civil service salaries, and when he was asked to give the name he would not give it. I am just as much entitled to the privilege. The quotations I have given are from a letter from an authentic firm; any information they have given me has proved to be correct.

Mr. ROWE: Do they manufacture in Canada?

Mr. BEAUBIEN: I am glad to see my hon. friend from Dufferin-Simcoe (Mr. Rowe), smile. If my hon. friend from Dufferin-Simcoe and my hon. friend from Haldimand (Mr. Senn), think they are going to play the same trick on the farmers in the next election, they are badly mistaken.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Order.

Mr. BEAUBIEN: Well, I will withdraw the word trick," I will just say "playing the trick." I know my hon. friend from Dufferin Simcoe is too intelligent to broadcast to the farmers the imposition of this duty on cream separators. Now, Mr. Chairman, the purpose of these agreements is what? Nothing else than to benefit the manufacturing industries of this country. The producers and consumers of creamery or dairy products have never been consulted. The only people that have been consulted are English or Canadian manufacturers. That is what I say in western Canada and in all other parts of Canada. I ask of my friends from the eastern townships, where I spent my last week-end, those friends of mine from the eastern townships who slid into power on a pound of New Zealand butter: Are you going to tell your farmer friends who voted for you on that question that the government has done the very thing which is going to hamper the dairy industry to a greater degree than it is hampered today? In western Canada we are getting anywhere from 13 to 15 cents a pound for butter, and the minister and the government have to admit that the only reason for imposing this duty, if there is a reason, is either revenue or to protect the industry. When the duty becomes so high it ceases to bring revenue to the country, but it increases the price to the man who has to buy the commodity.

Mr. MULLINS: May I ask the hon. member, if the price of cream separators has increased? Is not the Massey-Harris separator as good as any in the country? I have had one for forty years.

An hon. MEMBER: That is one of the old Listers you have got.

Mr. BEAUBIEN: I am not concerned whether the price increased yesterday or today—

Some hon. MEMBERS: Oh, oh.

Mr. BEAUBIEN: —but let me warn my hon. friend from Marquette (Mr. Mullins) that he will never be able to go back to his county, with that cream can and the old cow, if he tells the people that the party that he supports, has increased the production costs of the dairyman. I know my hon. friend objects to this, but I can say, with all the respect I have for him, that if he goes back to the constituency of Marquette and repeats the argument he made in 1930 the old cow will not bawl, she will cry.

Now, Mr. Chairman, I plead with my farmer friends on the other side of the house, who in 1930 asked the farmers to support them; I plead with my personal friends from the eastern townships who I know contributed a great deal to the belief of the farmers that the Bennett government would give everything to the dairy industry and all would be well; I plead with these friends of mine now, and others, to stand up in this house and fight for the farmers' interests, knowing that if the farming industry does not become prosperous nothing will prosper in this country. As a final plea I ask my hon. friend from Dufferin-Simcoe, one of the best-looking men in this house, a man who is always smiling—I am only sorry he is not the Minister of Agriculture, because he is one of those back-benchers who would make a good Minister of Agriculture—to stand up in this house and tell this government that if they are going to impose these penalties on the farming industry, and especially the dairy industry, he is not going to support any such project.

Mr. RHODES: The hon. member for Lisgar and the hon. member for Provencher each have made the bald statement that there will be an increase in cost, and they have based their whole complaint against these provisions upon that assumption. If the cost is not increased then their argument is worthless.

Mr. BEAUBIEN: Then why the duty?

Mr. RHODES: The duty is for preference and for empire free trade in cream separators. Let me say this to my hon. friends: I take it that if they could get a separator at a given price they would prefer to buy it within the empire rather than without. They must assent to that position, otherwise they must take the ground that they prefer to buy from without rather than within the empire.

[Mr. Mullins.]

Mr. BEAUBIEN: May I interrupt the minister to tell him that if present conditions continue the farmers will not have money with which to buy separators from anyone.

Mr. RHODES: I only wish to say that I do not assent for one moment to the proposition that these proposals will result in an increase in the cost of separators. We will find very fierce competition on the part of the British now that they have an opportunity in this market. But there is one point to which hon. gentlemen have not made reference; for many years past, with the exception of the bowl, every part imported for servicing cream separators had to pay a substantial duty, and under the provisions of this agreement these parts now come in free.

Mr. BEAUBIEN: From where?

Mr. RHODES: From within the empire.

Mr. BEAUBIEN: But they do not come in free from the United States or Sweden?

Mr. RHODES: Just wait one second. Under the tariff which was supported by my hon. friend from Provencher, when parts came in they were assessed at varying duties. For example, if made of iron or steel they would be dutiable under item 446, under which they paid 15 per cent under the British preference, 27½ per cent under the intermediate and 35 per cent under the general tariff. If made of aluminum they paid 15 per cent under the British preference, 22½ per cent under the intermediate and 25 per cent under the general tariff. If they were nickel plated they paid 30 per cent under the preferential tariff, 37½ per cent under the intermediate tariff and 45 per cent under the general tariff. If made of copper or brass they paid a duty of 20 per cent under the preference, 27½ per cent under the intermediate and 30 per cent under the general tariff. Now those preferential duties have been all swept away, and those parts can come in free.

Mr. BROWN: I suppose the Minister of Finance expects us to accept that argument as a valid reason for supporting this agreement. Probably the minister is stating the facts accurately with regard to the duty on imported parts, but supposing that tariff was in effect under the Liberal government, as he has suggested, and supported by members on this side of the house, is that any reason why the duty now should be imposed upon the complete article? Surely not. It does not make his case any better or our case any worse.

Mr. BEAUBIEN: Certainly I am not going to let my genial friend the Minister of Finance get away with that. The minister is

trying to impress upon the house the wonderful service being rendered the farmers of Canada by this government through the removal of the duty on cream separator parts. If his argument is sound; if it helps the farmers to take the duty off the parts, why put a duty on the finished article? Truly I cannot understand that reasoning. The government takes the duty off cream separator parts and gives that as an action that will benefit the consumer of cream separators. On the other hand it puts on a duty of 25 per cent on the finished article. I cannot understand that logic. Perhaps my brain is not working well this morning, though I went to bed fairly early last night.

Mr. STEVENS: I confess that it is very difficult to follow the reasoning of some hon. gentlemen opposite. I suppose that one of the difficulties of our form of parliamentary procedure is—

Mr. BEAUBIEN: The present government.

Mr. STEVENS: There we have another illustration of it. It is simply impossible for us to reason out these things in a logical way and, shall I say, according to the facts, without interjecting partisan politics. I am not saying that my hon. friends opposite have a monopoly of this.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I quite agree with that. So that my hon. friends will not accuse me for the next five minutes at least of being partisan, I grant that they have not a monopoly of that weakness or that fault, which is perhaps inherent to our system, but I should like to invite hon. gentlemen now to concentrate for a moment, in a logical way, upon this question.

Mr. BROWN: You have not a monopoly of logic, either.

Mr. POWER: It is no use.

Mr. STEVENS: I grant you it is not. I did not expect my hon. friend from Lisgar to interject a provocative statement at that moment. Can he not at least receive in the proper spirit the attempt I am making to approach the question from a business standpoint?

Mr. BROWN: I do not think the minister will say that in my remarks I did anything but attempt to argue the question on valid, sound premises.

Mr. STEVENS: I did not name my hon. friend; I have been talking in generalities. I am inviting the whole committee to consider this question from a logical standpoint rather than to allow our prejudices to interfere. I imagine it is hopeless, but I will go on. There are certain facts which I think the committee must bear in mind. The first is that as far as cream separators are concerned we now have free trade, if I might use that term, within the empire. That is, as far as Canada is concerned we have free access to the markets of the empire. That is of some value to Canada. I cannot agree with hon. gentlemen opposite when they suggest that we must look askance at some advantage to the industrialists of Canada. I think it is a desirable and commendable thing if that is secured. That is my position, and that is point number one.

Mr. STEWART (Edmonton): Before the minister leaves that point may I inquire if there ever has been any obstacle in the way of trade within the empire?

Mr. STEVENS: Yes; practically every part of the empire had a duty on cream separators. Now we have free entry to those markets. Just on that point let us consider for a moment precisely what was the argument advanced by the Minister of Finance a moment ago. Let us look at this matter calmly and dispassionately. There have been duties. I am not blaming my hon. friends opposite at all, but as a matter of fact there have been duties on parts. The hon. member for Provencher asked a question which I think was very proper, but which I also think is very capable of being answered. He asks what that has to do with putting a duty on the finished article.

Mr. BEAUBIEN: I did not say that.

Mr. STEVENS: I think I caught my hon friend correctly. He asked, if it was desirable to take the duty off parts, whether that was not a sound reason for taking the duty off the finished article.

Mr. BEAUBIEN: No, that was not what I said. I took it that the Minister of Finance was arguing that the removal of the duty on parts was a benefit to the farmer. Then, if his argument was sound, I asked why the duty should be put on the finished article.

Mr. STEVENS: Quite so; that is what I had in mind, only I left out the word "farmer." That is quite right. There is an anwer and, I think, a valid answer to that. The manufacture of cream separators in Canada has been carried on by three firms for a very considerable number of years, but a substantial

part of that manufacturing has been in the way of assembling. In nearly all industries there are some parts of machinery that can be made better elsewhere, because of the quantum factor, and such parts are brought in. Such items as bowls and some other things have been brought in as finished parts and assembled with the other parts of Canada. Now, by the step we have taken in removing the duty from Great Britain at least on all these parts, we are contributing something towards lessening the assembling cost in Canada. That is axiomatic and I think it will be accepted in the discussion of industrial development.

Mr. BEAUBIEN: If the taking off of the duty on parts that are made in foreign countries is an advantage to the cream separator producers in Canada, would it not work just as well if there were no duty on cream separators to the farmers?

Mr. STEVENS: If my hon. friend will follow me I will try to make that point clear. In the first place, the cream separator as such does come in free from Great Britain and remains free. But parts for repairs also come in free from Great Britain under the new arrangement we are making. If any large distributors wish to bring in repair parts—and I fancy that in all machinery there are certain parts that wear out before others do and consequently have to be brought in—they will have those free from Great Britain; and they were not free before. Now, there is some compensation from that standpoint alone for the imposition of the duty on the finished article.

Mr. EULER: Was any substantial quantity of parts brought in from Great Britain before?

Mr. STEVENS: I gave the list last night.

Mr. STEWART (Edmonton): In the list of imports which the minister gave last night are parts included?

Mr. STEVENS: I will have that in a moment. I am informed that the only parts that can be traced are bowls, of which some $24,000 worth were imported.

Mr. STEWART (Edmonton): A list of imports was given last evening. Does that list include parts?

Mr. RHODES: Separators came in to the value of $455,000, and bowls, which have always been free, came in to the value of $24,000.

Mr. STEVENS: I would ask my hon. friend from Provencher, who I am glad to see has responded in a very nice spirit to my advances, to follow me.

[Mr. Stevens.]

Mr. BEAUBIEN: My response is just until you finish your argument.

Mr. STEVENS: That is quite all right. At least I appreciate his temporary courtesy. There is this point which I would ask him and other hon. members to consider. In his remarks the hon. gentleman seemed to labour under the impression that there was in this nothing of any value for the farmer—that is, in the agreements or in our trade with Great Britain as represented in those agreements. Nothing at all. Well now, I invite him to consider this point. We are clear that under these agreements there are, for the producers of butter, cheese, powdered milk and so forth, all those things that are indigenous to the dairy industry, very definite and valuable preferences in the British market. The representatives of the British people say, "We are giving you these valuable concessions for your dairy industry in our market. Is it therefore not reasonable for you to give us a chance in your market with some of the machinery we produce and are able to supply you with?" That is not an illogical position to take; I submit that it is sound.

Mr. BEAUBIEN: But I submit that you are putting under a handicap the producers of that very commodity on which you have a preference in Great Britain.

Mr. STEVENS: No. That is where my hon. friend is in error, I think. He and the hon. member for Lisgar as well as the hon. member for Weyburn, in all their arguments, assume that at once there will be an increase in the price of cream separators.

Mr. BROWN: We do not assume that the increase will be at once—put it that way.

Mr. STEVENS: Well, the assumption is that as a result of this there will be an increase in price.

Mr. BROWN: Put it that way.

Mr. STEVENS: But that does not follow at all. I showed last night that we were importing, for instance, from the United States and from Sweden large numbers of cream separators. Now, if we can increase production in Canada and absorb part of that, if we can give to Great Britain part of that business, does it not follow that there is likely to be a reduction? As a matter of fact I am told that in all probability there will be a reduction in the cost of production and therefore in the price of cream separators, as a result of increased production on the one hand and on the other—

Mr. VALLANCE: The minister points out the advantages which the farmer of Canada gets in the British market for farm products.

He will admit that we have to take world prices for those products. Has he the same assurance from the cream separator importers from Great Britain that their commodity will be sold at world prices?

Mr. BROWN: Mr. Chairman—

Mr. STEVENS: I am not through. I am sorry to continue the discussion, but I can see that it is likely to be lengthy and I think we ought to try to make these points clear. The argument I submit may not be accepted, but I submit it and appeal to the reasonableness of my hon. friends. I submit that with an increase in production through this tariff against the foreigner the chances all are that the Canadian separator will be produced at a lower cost, and we have then the competition of the British cream separator manufacturer which we must not disregard.

Mr. EULER: I do not quite appreciate the consistency in saying that the production of the Canadian manufacturer will be increased and at the same time stating that there will be stronger competition from Great Britain. The two things do not seem to be consistent.

Mr. STEVENS: I will give the statistics on which I base that statement. Let us take any year you like—the year 1931 for instance. In that year we imported from Sweden 5,218 cream separators; from Finland 916; from the United States 14,763, and from Belgium 2,683, or total imports amounting to 23,838. Our production was only 8,000. Suppose we divided that between Great Britain and ourselves—let us assume that for the sake of argument: that would give 12,000 additional to Canada; and if Canada gets 12,000 additional cream separators to produce, my hon. friend knows, and none better in this house, that we shall have a corresponding reduction of overhead charges.

Mr. EULER: My hon. friend's contention is that the business which has been going to foreign countries like Sweden will go to Great Britain without diminishing the output of the Canadian producer.

Mr. STEVENS: I think it will result in a marked increase in Canadian and British production. I am quite clear on that point.

Mr. BEAUBIEN: And a lower consumption owing to the price.

Mr. STEVENS: No, a lower price. That is inevitable. I am as clear in my own mind on that point as my hon. friends are clear on their basis of reasoning. Let me give my hon. friend by way of illustration some of the results of the British preference which we have enjoyed since last April. I think it is desirable to put this on Hansard for our information, because after all, in discussing these agreements, whatever our political views may be, I think we are more interested in the welfare of the country than in anything else. I shall now give a list of exports for the seven months' period ended October 31, 1931, and 1932. If an increase is shown for 1932, which has been one of the worst years in the history of the world, surely it is evidence that there is some benefit in this preferential arrangement with Great Britain which has been continued to us under this agreement. I give these figures by way of illustration and to support my point that this benefit will be applicable to the other items we are now considering. The list is as follows:

Agricultural and Vegetable Products

| | 1931 | 1932 |
|---|---|---|
| Fruits: | Barrels | Barrels |
| Apples, green. . . . . | 545,150 | 529,594 |
| | Pounds | Pounds |
| Fruits, canned. . . . . | 2,059,792 | 2,468,990 |
| Fruit juices and fruit syrups. . . . . | Gallons 137,419 | Gallons 267,365 |
| Grains: | | |
| | Bushels | Bushels |
| Oats. . . . . | 3,898,613 | 5,743,482 |
| Rye. . . . . | 516,406 | 924,278 |
| Wheat. . . . . | 67,465,478 | 90,641,620 |

Wheat is not affected by the preference but I am giving the figures just in passing.

Mr. MOTHERWELL: What are they meant to prove?

Mr. STEVENS: I am just giving that by way of information; the remainder of the articles are practically all dutiable. The list continues:

| | 1931 | 1932 |
|---|---|---|
| Grain products: | Cwt. | Cwt. |
| Bran, shorts and middlings | 46,841 | 950,124 |
| | Barrels | Barrels |
| Flour of wheat. . . . . | 1,287,443 | 1,380,791 |
| | Pounds | Pounds |
| Macaroni and vermicelli | 281,307 | 662,448 |
| | Cwt. | Cwt. |
| Oilcake and meal. . . | 24,640 | 66,851 |
| Tobacco, unmanufactured. . . . . | Pounds 1,511,556 | Pounds 3,828,261 |

Animals and Animal Products

| | | |
|---|---|---|
| | Pounds | Pounds |
| Honey. . . . . | 354,100 | 1,259,994 |
| Meats: | | |
| Beef, fresh, chilled or frozen. . . . . | Cwt. 4,480 | Cwt. 9,990 |
| Bacon and hams. . . . | 50,461 | 217,207 |
| | Pounds | Pounds |
| Canned meats. . . . . | 7,628 | 333,645 |
| Pork, fresh, chilled or frozen. . . . . | Cwt. 1,765 | Cwt. 8,142 |
| Pork, dry, salted. . . | 145 | 17,672 |
| Poultry, dressed or undressed. . . . . | Pounds 48,441 | Pounds 225,110 |

| Animals and Animal Products—Conc. | | |
|---|---|---|
| Milk, condensed, powdered and evaporated. . . | Cwt. 42,788 | Cwt. 96,402 |
| Oils, fats, greases and waxes: | | |
| Animal oils, n.o.p . . . | Cwt. 88 | Cwt. 16,001 |
| Fish oil, n.o.p. . . . . | Gallons 8,551 | Gallons 163,081 |
| Grease and grease scraps | Cwt. .... | Cwt. 5,068 |
| Lard compounds. . . . | 41 | 1,086 |
| Tallow. . . . . | 2,766 | 4,679 |
| Fibres and Textiles: | | |
| Socks and stockings. . | Doz. Prs. 1,851 | Doz. Prs. 14,775 |
| Wool, raw. . . . . | Pounds 1,333,118 | Pounds 2,057,714 |
| Wood Products and Paper: | | |
| Wrapping paper, kraft. | Cwt. 8,563 | Cwt. 14,777 |
| Planks and boards. . . | M.Feet 74,380 | M. Feet 122,691 |
| Timber, square. . . . | 15,826 | 16,574 |
| Wood pulp. . . . . | Cwt. 377,329 | Cwt. 507,923 |
| Iron and Its Products: | | |
| Typewriters and parts. | 124 | 8,467 |
| Automobile, passenger. | 194 | 794 |
| Non-Ferrous Metal Products: | | |
| Copper, bars, rods, sheets, etc. . . . . | Cwt. 91,093 | Cwt. 454,989 |
| Lead in pigs, refined lead, etc. . . . . | 513,078 | 765,130 |
| Non-Metallic Mineral Products: | | |
| Abrasives, artificial, crude. . . . . | Cwt. 25,303 | Cwt. 19,653 |
| Coal tar and pitch. . | .... | Gallons 726,249 |
| Chemicals and Allied Products: | | |
| Cobalt oxides and salts. | Pounds 87,500 | Pounds 151,500 |
| Miscellaneous Commodities: | | |
| Refrigerators and parts. | 159 | 27 |

Those figures indicate that in these trying times our trade with Great Britain is expanding and has expanded since the preferential duty arrangement was made last April. We are contending that because of our obvious experience in this matter these schedules which are now being submitted will prove to be beneficial to trade between Canada and the United Kingdom. We ask hon. gentlemen to view this matter from the broad standpoint of the welfare of both countries. We are quite satisfied that the economics of the thing will demonstrate that there is advantage in this to the Canadian manufacturer, in that he gets his parts free; there will be protection to the Canadian consumer, in that he has the competition of the British Empire in cream separators and incidentally he receives the benefits of a chance of increased production with lowered overhead, which we contend must inevitably result in a reduction in price.

I desire to say one word to the hon. member for Lisgar (Mr. Brown). I am sorry he has sought to cast reflection upon such a reputable British firm as the Lister company.

[Mr. Stevens.]

Mr. BROWN: I operate one of their machines at home.

Mr. STEVENS: My hon. friend said he did not know whether or not it was their machine.

Mr. BROWN: It was one sold by the Lister company, I presume during the time they were not manufacturing.

Mr. STEVENS: My hon. friend said he has had it for forty years and that it runs like a threshing machine. I ask him, is it fair to cite the name of one of the most reputable firms in Great Britain and refer in argument to the standing and excellence of its products? Is it fair to take advantage of one's place in parliament to cast reflection upon their products merely for the sake of bolstering up an argument? Is that fair game? Why is it, when my hon. friend comes to a British or Canadian manufacturer, he begins to suspect? Why is it that all foreign manufacturers are beyond and above suspicion in his mind? Why is it that my hon. friend in all his arguments will insist that there is some sinister motive behind Canadian industry? I say to him, and I know there are hon. gentlemen opposite who have had wide experience in these matters who will corroborate me, that by and large the Canadian businessman, the manufacturer or distributor is a man of ethics equal to any in the world. It may be that in this country, as in all countries—I am glad to say it is disappearing—there are individuals who will take advantage of this, that or the other and not be what we call fair traders. It is most unfortunate that such an impression should go abroad in connection with the Canadian manufacturer. When you look at both sides of the various problems with which they are confronted, when you hear the stories which I get every day, when you get the other side, in ninety-nine cases out of one hundred justification is found for the position taken.

In my estimation parliament ought to take pride in the industrial development of this country. We should take pride in that development, because as the Prime Minister intimated yesterday, every industry which is made successful means further assistance to the primary producer, the farmer, the lumberman and the miner. We must not forget that there is also mineral and lumber production which is equally meritorious to that of farm production. When I say that I am not trying to disregard the rights of the farmer because I am just as anxious as any hon. member of this committee to see him prosper. I know his difficulties, I sympathize with his burden of debt and the low commod-

ity prices which he receives. I know his problems are almost insufferable, but this condition does not apply only to the farmer, it is applicable also to the lumber and mineral producers. Let us as Canadians in this parliament give to the Canadian industrialist, the manufacturer, the manager and the tens of thousands of workers at least the credit that they are good Canadian citizens and entitled to every consideration. We should not always base our arguments upon the implied assumption that there is something wrong with the industrialist of this country and something sinister in his motives.

Mr. BROWN: I thank the Minister of Trade and Commerce for the lecture he has given this committee in general and me in particular. I did make reference to a machine which was imported forty years ago, and I said it ran like a threshing machine. I have not the slighest doubt that the English manufacturers and the Canadian manufacturers have since that time improved their product to a very great extent. So that was no reflection on the present capacities of the Lister Company. But the fact of the Lister Company coming to our Canadian government and asking them to impose a 25 per cent duty on cream separators is not calculated to foster better relations betwen the different parts of the empire, and I have no hesitation in saying that. In all of this debate I have never seen fit to criticize the British people for doing what they saw fit to do. Indeed, I have always resented the idea that we should try to impose upon them the conditions of their fiscal policy. I have consistently taken the ground that they should do what they thought fit, and I have made no complaint up to this time of the attitude of the British government or of any British industry. But when it is stated that a British manufacturer comes to Canada and asks to have a 25 per cent duty imposed—

Mr. RHODES: If my hon. friend will permit me just a word, because I presume he desires to have his facts right, the British manufaturer did not come to Canada and request that a duty be placed on cream separators. The manufacturers of cream separators in Canada did not know and had not the faintest idea of the proposals in question until they saw them published in the press. This item was included in the list solely because it was a concession which we felt we could grant in view of the circumstances and the fact that the British government laid particular stress upon it as one item which they deemed of importance.

Mr. BROWN Supposing the facts are as just stated—

Mr. RHODES: They are.

Mr. BROWN: It does not alter the fact. The Minister of Trade and Commerce when he presented this matter to the house laid great emphasis on the fact that the R. A. Lister Company wished to get into the cream separator business in Canada. The manner in which those negotiations were carried on is a matter of complete indifference to us, but the fact remains that in order to benefit the British manufacturer a duty of 25 per cent has been imposed on cream separators.

The Finance minister complains that we base our argument on the assumption that prices will increase. We on this side are just as much warranted in that assumption as is the government in its assumption that prices will not increase. There is the wide difference between the two sides of the house. Hon. gentlemen opposite maintain that protective duties do not increase prices; we maintain that they do, and the country may just as well know that that very vital difference exists between the two sides of the house.

In regard to the duty on parts, on which the Finance Minister and the Minister of Trade and Commerce have laid emphasis, under the tariff which was in existence up to September, 1930, item 442b provided:

> Materials which enter into the construction and form part of cream separators when imported by manufacturers of cream separators, for use exclusively in the manufacture of cream separators, in their own factories, under regulations prescribed by the minister . . .

shall enter free under the British preferential, the intermediate and general tariffs.

And 442c:

> Articles of metal when imported by manufacturers of cream separator parts for use exclusively in the manufacture of cream separator parts, in their own factories, under regulations prescribed by the minister . . .

shall enter free under all three tariffs.

Mr. RHODES: While my hon. friend is upon that point, will he allow me to enlighten him? What was done under the law which was supported by my hon. friend from Lisgar was this, that when the manufacturer wanted to import his parts he got them in free, but when the poor, lowly farmer on the plains imported his parts for repairs under the British preference he paid all the way from 15 to 20 per cent. My hon. friend must bear that fact in mind when he criticizes us for taking care of the manufacturer and neglecting the farmer.

Mr. WEIR (Macdonald): Item 409 in this agreement provides free entry under the British preference and a 25 per cent duty under the intermediate and general tariffs. I understood the Minister of Trade and Commerce a few moments ago to indicate that the old tariff on parts for separators was higher than the new tariff listed here, but I do not see any change. Will the new tariff apply to all parts? I see that bowls are mentioned.

Mr. RHODES: Any part which goes into a cream separator can now be imported under the British preference free, any component part whatsoever that is wanted by the farmer for repairs. Prior to this agreement, although cream separators themselves were free across the board the manufacturer could import any part he wanted duty free, but when the farmer wanted to import a repair part he paid a duty, if it were made of iron or steel, of 15 per cent under the British preference, 27½ intermediate, and 35 per cent general; if of aluminum, 15 per cent under the British preference, 22½ per cent intermediate, and 25 per cent general; if nickel-plated, 30 per cent under the British preference, 37½ per cent intermediate, and 45 per cent general; if of copper or brass, 20 per cent under the British preference, 27½ per cent intermediate, and 30 per cent general.

Mr. COOTE: Will repairs coming in from other countries than the United Kingdom pay the same rate of duty as they do now?

Mr. RHODES: If the machines were imported from a foreign country they would pay 25 per cent under this arrangement as compared with 45 per cent, if nickel-plated, under the old tariff; if of iron or steel, 35 per cent under the old tariff and 25 per cent under this tariff; if of aluminum 25 per cent under the old general tariff, and 25 per cent today; if of copper or brass, 30 per cent under the old general tariff, and 25 per cent today.

Mr. COOTE: Will dumping duties be applied on importations of cream separators from Great Britain? What basis of value will be established by the Customs department? For instance, if a cream separator costs ten pounds in England, will the importer be allowed to bring it in free of duty and pay the present rate of exchange, $3.70 for each pound, in other words $37, or will there be a dumping duty applied on that value by the government?

Mr. RHODES: I would prefer that that question be answered by my colleague the Minister of National Revenue. My hon. friend will remember that a bill has been brought down to amend the Customs Act having reference to section 43.



Mr. COOTE: I do not think this matter refers at all to section 43. What I am trying to find out is whether we can bring in cream separators from England and pay the actual rate of exchange for the British pound existing at the time of importation, or whether we will be compelled to pay duty which will be the equivalent of the difference between the rates of, say, $3.70 and $4.87 on the pound. I think that is a very important point.

Mr. STEVENS: If I may, I will answer the hon. member in two ways. First, so far as the present situation is concerned, if an item on the free list is imported into Canada today it will pay a special exchange adjustment duty. That is one answer. Does my hon. friend understand that?

Mr. COOTE: That will apply to cream separators.

Mr. STEVENS: Yes. But under article 17 in the agreement there is this understanding by the government of Canada:

> They further undertake to give sympathetic consideration to the possibility of reducing and ultimately abolishing the exchange dumping duty in so far as it applies to imports from the United Kingdom.

I state very frankly to my hon. friend that the government is very carefully studying this matter. Its experts are now working on it, and we are trying to solve what is admitted by all to be one of the most difficult problems confronting the different countries of the world today. So while my first answer is accurate, so far as the present day conditions are concerned we are hoping and intending, so far as lies within our power, to get away from that exchange dumping duty or, as it is sometimes called, exchange adjustment duty.

Mr. COOTE: I have a further question. I presume the three per cent excise tax will apply on cream separators, and also the dumping duty the minister has just mentioned. Will they be the only duties collected on cream separators imported?

Mr. STEVENS: Yes. The excise tax is a revenue tax applied practically to everything.

Mr. VALLANCE: Mr. Chairman, up until the introduction of this agreement with the United Kingdom, Canada was a world market for cream separators. I think the minister

agrees with that statement. Now there is the proposal to restrict that market. Some time ago I asked the minister a question when he was pointing out that today we had a market in Great Britain for farm produce. I pointed out to him, as he well knows, that that market was only assured to us provided we would take the world price. In view of the fact that we have now closed this Canadian market as a world market,—at least, that in my view is the intent of this agreement—and that we will create in Canada a market for empire goods, and among others cream separators, I ask the minister, have we the same assurance from the other portions of the empire that we will be able to buy these cream separators at the world price? Before I take my seat I should like to say to the Minister of Finance that the farmer himself very rarely imports repair parts into this country, unless he has an implement or cream separator not sold or manufactured here. The manufacturers and dealers who sell separators in Canada always carry the parts. We may take a De Laval, a Massey-Harris or any other separator or, for that matter, Swedish separators, and find that in connection with each we can readily buy repair parts from those who either sell or manufacture the machines, or assemble the repair parts.

No doubt the minister will tell me that there are pirate dealers throughout Canada who make a business not only of selling machines but the repair parts for machines they do not sell. No doubt the Minister of Finance will say that the tariff on repair parts he was talking about was designed to get at those pirate dealers.

I should like the Minister of Trade and Commerce to answer this question: Have we the assurance from the other dominions and the mother country that cream separators will be sold in Canada at the world price, in view of the fact that we have to deliver our products to their markets under a similar condition?

Mr. STEVENS: The hon. member has touched upon a number of points. In the first place, the dealers handling parts to whom he referred paid the duty on those parts, just the same as anybody else would. Presumably that duty would be included in their price, so that it might be passed on. No doubt they would deal with it in whatever way they thought best. The fact remains however that they woud pay the duty on the repair parts; I should like to have that point clear.

Mr. BEAUBIEN: That is not what the Minister of Finance said.

Mr. VALLANCE: We will suppose that an agent in western Canada, or any other part of Canada, handles Massey-Harris separators, and obtains repairs from their plant in Toronto. Massey-Harris does not pay the tariff; therefore the farmer buys without a tariff.

Mr. STEVENS: Of course, if it is a Canadian product it does not carry a tariff; that is clear. But repair parts that are imported, whether by a manufacturer, a dealer or anyone else, are subject to duty. The only time they are not is when they are imported for incorporation in an assembled machine. There is no question about that.

Then I shall direct my remarks to another point made by the hon. member. He said that we Canadians have guaranteed to Great Britain that we will sell our farm produce at the world market price. We have not done that at all.

Mr. VALLANCE: What about the agreement?

Mr. STEVENS: That does not apply to butter, cheese, milk or those other commodities about which we are now talking. A world price is not guaranteed on those items.

Mr. VALLANCE: Why not?

An hon. MEMBER: There is a duty on them.

Mr. VALLANCE: "Duty" nothing.

Mr. STEVENS: I shall read article 4:

> It is agreed that the duty on either wheat in grain, copper, zinc or lead—

Those are the four commodities, namely, wheat, copper, zinc or lead—

> —as provided in this agreement may be removed if at any time empire producers of wheat in grain, copper, zinc and lead respectively are unable or unwilling to offer these commodities on first sale in the United Kingdom at prices not exceeding the world prices.

And so on. So, as far as dairy products are concerned—cheese, butter, condensed milk, powdered milk—we come under such undertaking. Cream separators are precisely on the same basis as butter, cheese, milk or any of the commodities I have mentioned.

Mr. VALLANCE: The minister will agree that they give us ten per cent and we give them 25 per cent.

Mr. STEVENS: No.

Mr. VALLANCE: Yes we do. We give them 25 per cent on cream separators, and on farm produce they give us ten per cent.

Mr. STEVENS: We get 15 per cent on cheese, 15s per hundredweight, specific, on butter; on condensed milk, whole, sweetened we get 5s per hundredweight, and 20 per cent on other milk products.

Mr. VALLANCE: We have no assurance that the price of cream separators obtained from them will be the world price.

Mr. STEVENS: No more than we have given such assurance on the farm products to which I have just referred.

Mr. WEIR (Macdonald): Would the minister give us the rate of duty against Swedish separators coming into Canada? I have had occasion to look into the purchase of separators.

Mr. STEVENS: Does the hon. member ask for the proposed duty? It is 25 per cent.

Mr. WEIR (Macdonald): The rate prevailing before.

Mr. STEVENS: They came in free before.

Mr. SPENCER: I understood the Minister of Finance to say that repairs were coming in free. Do I understand the Minister of Trade and Commerce to say that they come in free only when they are to be assembled in a machine?

Mr. STEVENS: By a manufacturer in his own plant. Does the hon. member ask about the arrangement under these provisions?

Mr. SPENCER: Yes.

Mr. STEVENS: No, they do not come in free.

Mr. SPENCER: Not even from British countries?

Mr. STEVENS: They come in free under the British preference.

Mr. SPENCER: There will be a tariff on repairs from foreign countries.

Mr. STEVENS: Yes, twenty-five per cent, in contradistinction to the rates charged previously, which were all higher.

Mr. BEAUBIEN: Under the old tariff the repair parts imported by assemblers or manufacturers of cream separators came in free?

Mr. STEVENS: No. I thought I had made that clear. Any part that was brought in for repairs, whether by a manufacturer, a dealer or a private individual, bore the duties which we have indicated. They were higher than they are under this arrangement.

[Mr. Stevens.]

Mr. BEAUBIEN: They will have to pay duty now?

Mr. STEVENS: They will pay now 25 per cent, instead of 30, 37, 45 and so on. But free from Great Britain.

Mr. YOUNG: Could the minister tell us what rate of duty Great Britain is imposing on cream separators from the outside world.

Mr. STEVENS: Twenty per cent, and free as far as Canada is concerned.

Mr. VALLANCE: According to the figures for the period 1910-1932, given last night by the Minister of Trade and Commerce of Canada's imports of cream separators, none came from the United Kingdom. So, if Great Britain is going to avail herself of the opportunities in the Canadian market, presented by this agreement, in my opinion she is going to build up trade in a new type of separator. The information I have is that in the years from 1910 to 1920 all the importations from the mother country were separators of a type used in the factories, not the type used by the farmer. If by this you are going to shut out today the Vega Swedish separator, I say you are doing the dairy industry in western Canada—I speak only of that because I have knowledge of it—a great injustice. The Vega separator has done more to bring down the price of separators in Canada than any other thing I know. I operate one of them on my own farm. Whether this 25 per cent will entirely shut it out I do not know, but I believe the Minister of National Revenue will see that it is shut out, because he will place an arbitrary valuation upon it. I do not care what the minister says regarding the 25 per cent encouraging inter-empire trade, it is only going to encourage it at the expense of the user of cream separators. If we can get an assurance from the Minister of National Revenue, or from the government, that importations from sources that are now supplying Canada with cream separators will be taken at the valuation at the port of entry, and that the Minister of National Revenue will not be allowed to place a fictitious and artificial valuation on them for duty purposes in order to exclude them, I think we can pretty much agree to this proposal now.

Mr. MOTHERWELL: When this government came into power they found on the free list in all columns, preferential, intermediate and general, a considerable number of items of particular interest to agriculture. One item was binder twine, another was farm fertilizers, another was barbed wire, and now cream separators. Three out of those four com-

modities have been taken off the free list, as far as the intermediate and general tariff is concerned, and in some cases all tariffs—

Mr. SMITH (Victoria): I would like to ask a question. What ingredient that goes into the composition of fertilizer is not on the free list today?

Mr. MOTHERWELL: I regret I cannot hear my hon. friend. He can mix any kind of fertilizer he likes, I am trying to talk my own talk. I see that even the Minister of Trade and Commerce appreciates that, inasmuch as he lectured me for that kind of inadvertent remark the other day. I was pointing out that it seems to be the policy of this government to take all these key commodities that were free to the farmer before and put a tariff on them. I do not berate them very much for that, they are carrying out the policy that they enunciated at the last election, they are running true to form. That is one of their promises that they are carrying out, and doing it to the full. They are making the cleavage between the two historic parties more distinct than ever. When the next election comes the people will have no doubt which is the high tariff party and which is the moderate or revenue tariff party.

Mr. CHAPLIN: They have not been able to distinguish that for the last twenty-five years.

Mr. MOTHERWELL: Well, they distinguished the difference in the United States the other day, and they will not have any trouble distinguishing it here now. I want to point out that farmers today are not in a condition to have their morale further destroyed by this continual jacking up of tariffs. If the average farmer on the prairies lost his separator by fire or otherwise, how could he replace it today? Even though prices are not made higher, unless they go down in keeping with the price of his commodity that he sells, he is going to get worse off all the time. Prices of equipment and general supplies for the farm have not gone down in proportion to prices of what the farmer has to sell. He will be fearful that this is going to be repeated in the case of both wire and cream separators.

My information is that our manufacturers of cream separators are not running anything like full capacity now; some of them are almost idle. Last evening the minister expatiated freely on the advantage of having new firms establish themselves in Canada. But if those who are now here are only running part time how will it help to have new firms establish themselves for the manufacture of this commodity? It seems to me he is only going to cut up the now small business there is, into smaller allotments so that each and all will lose out.

However, I suppose if we talk till doomsday on this question it will not make any difference in our respective attitudes. I think it is profoundly wrong on the part of the government to do what they have done in regard to wire and cream separators, I think it is a great mistake. It is hard on the purchasers of these commodities, and later on it is going to be hard on the government. To the latter of course, I will not take any exception. I would ask them, though, if it is possible to reconsider this item. I think we were told yesterday that some of these questions were going to be reopened with the British government. I do not plead for the sake of the government, because I have no particular brief for my hon. friends, but I plead for the dairying industry, always an exacting laborious industry, a very, very trying occupation to those engaged in it, summer and winter, Saturday and Sunday; and now the government is just going to put one more straw on the back of the dairyman. And it is the last straw that breaks the camel's back, or the dairyman's as the case may be. It will be also the last nail in the political coffin of hon. gentlemen opposite. There have been a lot of last nails, I think we have a whole package of them accumulated for this purpose. I do not know that we need another, so I appeal to them to reconsider this item. They are making a profound blunder not only from the standpoint of the dairymen of this country but from the standpoint of their own political hides; I have no particular regard for those, but I have for the dairying industry of Canada.

Mr. HACKETT: Some reference has been made to the members from the eastern townships, where butter is an important product, and one in which the members for that section of the country are very much interested. The hon. gentleman who has just taken his seat has asked the government to reconsider its position. May I ask the hon. gentleman just what he would like the government to do? The government have reduced the duty on separator parts, and separators are still introduced into Canada free from Great Britain.

Mr. BEAUBIEN: They do not make them.

Mr. YOUNG: They were always free.

Mr. HACKETT: They were always free, but the position of the dairyman and the person who uses separators has been improved at least to the extent that the parts now will come in free. The hon. member for Melville presided for a number of years over the department which is most interested in the farmers, and it seems to me but fair to ask why, during the rather long period of his administration, some of that compunction and that feeling which he now expresses for the farmers and the users of separators did not find expression in a reduction or the entire elimination of the duty on separator parts. I believe that if there is one utensil which has remained at a very high price level it is this particular one, notwithstanding the fact that it was free across the board. This would seem to indicate that our only hope of obtaining a reduction in price is by enabling our own manufacturers to increase their production and thereby reduce the price of the utensil.

I thank the hon. member for Provencher for being so solicitous for the farming communities of the eastern townships. I beg to assure him that the member for every constituency in that section of the country is in his seat and has followed these discussions with particular interest.

Mr. COOTE: I think it is very misleading to keep on saying that cream separators may be imported free from any country within the empire. As closely as I can figure it out, it seems to me there is a duty of at least 18 per cent against separators in addition to a 3 per cent excise tax. If the figures which I have worked out very roughly are correct, any farmer in Canada who imports a cream separator from Great Britain or any other part of the empire and which costs him $100 will have to pay $18 duty and $3 excise.

I think the hon. member for Stanstead has just put the case very clearly. This change in the tariff is principally for the purpose of enabling the Canadian manufacturer to get a larger market in Canada. Of course he believes that there will be no increase in price. I should like to ask the government very definitely what organization they have in any department of the government to see whether or not there is any increase. I should like to say also that I think we should have a decrease in the price of separators. There has been a drop of at least fifty per cent in the price of our butter. At one time this year in western Canada the price of butter fat dropped to 20 per cent of what it was four or five years ago, but there was no corresponding drop in the price of cream separators. There has been no drop yet, and I do not think there will be a drop after this arrangement comes into operation. I do not suppose there would have been a drop in any case, but I am afraid this will prevent any decrease which perhaps might have come about otherwise.

Then I should like to ask the government whether the exchange dumping duty applies to importations of cream separators from Sweden. I understand that Swedish currency is depreciated in Canada just as much as if not a little more than the British currency. Is this exchange dumping duty to apply against importations from Sweden or any other country which has depreciated currency? Then there is one other question. Would the exchange dumping duty apply against other countries within the British Empire than Great Britain? For instance, would it apply in the case of importations from Australia or New Zealand?

Mr. STEVENS: The exchange adjustment duty applies naturally to countries whose currency is depreciated. It will apply to European countries to which my hon. friend refers as it does to Great Britain. The precise value of these different currencies is declared, of course, by order in council based upon the Customs Act, I think.

Mr. COOTE: Is that done in connection with each country?

Mr. STEVENS: Yes. In regard to Australia I do not think the exchange adjustment duty is applied.

Mr. COOTE: Then I suppose it would be possible for an importer in Canada to have his cream separator sent from Great Britain to Australia and then reshipped to Canada. In that way could we evade this exchange dumping duty?

Mr. STEVENS: That is rather a subtle suggestion, and I think perhaps an importer might give it the once over. I should not like to put the official imprimatur on it.

Mr. COOTE: I am looking for a way to keep down the price of cream separators, and I am putting that question to the minister now.

Mr. STEVENS: I think that is a clever suggestion.

Mr. EULER: If that were done once, would the government allow the practice to be continued?

Mr. STEVENS: I would rather not speculate on these ifs.

Mr. COOTE: Again I would like to ask the minister if there is any organization in his department, or in any department of the government, to see whether any increase does take place in the price of barbed wire, cream separators and other classes of commodities which have been mentioned here.

Mr. STEVENS: Very close track is kept of the variations in prices of goods; officers of the Department of National Revenue and of the bureau of statistics, as well as officers of the Department of Labour administering the Combines Investigation Act, all keep close tab on these matters, and the members of the government are kept informed. I may say that I know the Prime Minister takes a very deep interest in that particular kind of information.

Mr. COOTE: Is it the duty of any of these officers to report to the government any increase in price?

Mr. STEVENS: In a sense that is rather a strange question. It is just as I have indicated; these matters of prices are carefully kept track of, and the information is laid before the ministers and before the government. I think, of course, my hon. friend wants to know if there is any officer who is specifically instructed to keep a check on these prices and take action under any statute or regulation. I should say there is no officer with such a specific duty.

Mr. BOTHWELL: Before this item carries I think the house and the country might as well realize that it will mean an increase in the price of cream separators. In 1930 we had assurance from this government in connection with various commodities on which duties were increased; they told us that there would be no increase in prices. The government gave us to understand that they had the assurance in writing from the manufacturers that there would be no increase in price. We were led to believe that the government would assume the responsibility of removing the duties where prices were not reduced in accordance with world prices. We had that assurance from the Prime Minister and I would ask the government now whether anything has been done since 1930. I ask this house, has anything been done by this government since that time? They realized that they should take into consideration the fact that when world prices dropped there should be a corresponding drop in our own commodities. It has been drawn to the attention of the house by members at various times that there have been either increases or no reductions, and we are entitled to know what action has been taken. In speaking of items that were dealt with in 1930, I will refer once again to oil products. The case was clearly proved. We had the definite assurance of the Prime Minister in 1930, but nothing was done and it does not appear to be the intention of this government to carry out the undertakings they gave the people. As regards the minister's assurance that there will be no increase in price, that is just so much more humbug, such as we got in 1930. Everyone who has listened to the discussion that has taken place on this and on other items under this agreement will realize that where there is an increase in duty there will be a consequent increase in price to the consumer, and the farmers who have to buy cream separators might just as well make up their minds right now that they will pay more for that commodity.

Mr. YOUNG: The Minister of Finance a little while ago made quite a point of the fact that under the old regime the manufacturers of cream separators were allowed to bring in parts duty free, while farmers wishing to bring in the same parts for repair purposes paid a duty. Will he tell us what inference he draws from that statement, or what significance he attaches to it.

Mr. RHODES: It is obvious that they get their repair parts now free under the British preference, whereas before they paid a substantial duty; and even in the case of repair parts from foreign countries there will be a reduction in practically every instance as compared with the former rates, because now they pay 25 per cent whereas in respect of some items the duty formerly went as high as 45 per cent under the general tariff. Now, as I say, it is 25 per cent.

Mr. YOUNG: The minister has answered that part of my question to which I do not attach so much significance. What I regard as important is the fact that the manufacturer got his parts free while the farmer paid a duty. What significance does the minister attach to that point which he made?

Mr. RHODES: None, except that the manufacturer was placed in a preferred position as against the farmer. He got parts free where the farmer paid a duty.

Mr. YOUNG: I am glad the minister admits that. He admits now that tariffs do raise prices.

Some hon. MEMBERS: Oh, oh.

Mr. YOUNG: I hope that hon. gentlemen opposite will no longer tell us that

tariffs do not raise prices. There is another question I want to ask. We have on the statute books certain anti-dumping laws which provide that if the foreign exporter wishing to get his goods into this country undertakes to pay the duty, an additional special dumping duty will be imposed. Can the minister tell me whether Great Britain has such a provision in her customs laws?

Mr. RHODES: Great Britain would have no necessity for it in relation to Canada because our currency is of greater value.

Mr. YOUNG: I do not mean in relation to Canada; but in her Customs Act has she any anti-dumping provision which would forbid foreigners to dump their products in the British market? I understand she has a duty of 20 per cent on cream separators. Has she a provision which makes it impossible for the foreigner to pay that duty and bring in separators?

Mr. STEVENS: The British system is different from ours. I am glad my hon. friend raised that question because it reminds me of something I overlooked a few moments ago when he inquired what the British duty was on cream separators, and some of the other hon. gentlemen inquired with regard to parts. It must be borne in mind that Great Britain imposes its duties on a c.i.f. basis, which is a very much higher basis than we are on, ours being the f.o.b. basis. Take cream separators for instance. The Canadian duty would be imposed on the cost of the article in Great Britain. In the case of a Canadian separator going into Great Britain, the duty would be based on the cost of the article, plus freight, plus port landing charges and all other charges, as I indicated the other day. So that you have an entirely different basis, and your ratio of duty imposed in Great Britain, although it might appear to be lower, might actually be higher. So much for that. My hon. friend asks whether Great Britain has a dumping duty provision similar to ours. They have not the same provisions as we have. Great Britain operates its import act very largely by regulations under the treasury board, and broad general powers are given to that body. It is under the treasury board, the official being known as the Commissioner of Customs and Excise, and they invest the board and the commissioner with very wide powers. They have not the same dumping provisions as we have but, as we do, they insist upon a sworn declaration of the accuracy of the invoice, which must be in just as clear terms as we call for. And, of course, they have a provision for the imposition of penalties in any case where there is an inaccurate or false declaration.



Mr. YOUNG: That puts us in this position then. Britain has no anti-dumping laws but she insists of course on a true and accurate invoice. But if the Swedish manufacturer of cream separators wishes to absorb the British duty and sell in Britain at the same price as he would sell in Sweden, he may do so. These separators cannot of course be transhipped to Canada, but the effect of that possibility to the Swedish manufacturer would be to force the British manufacturer in Great Britain to compete with the imported article, would it not? We should therefore find the price of separators in Britain coming down to the world level, and so the Canadian manufacturer who is looking for additional protection would find himself in competition with British separators selling at world prices. That would not hurt the farmer very much; he would not object to that. I want to look at the figures the minister gave last night. Home production, according to the figures he gave us, has declined since 1929 from 13,431 to 7,218. That is, the production of separators in Canada has been cut about in half. But our exports of the same article have been cut about eight. We export only about one-eighth of what we did two years ago. This world market we are losing. The other night tinplate—item 383, I believe—was under discussion. There is an increase in the duty on tinplate from the outside world and the minister told us that those who produce the commodity, and the biggest user of it in Canada, were present and did not raise any objection. We asked him if there were any secondary manufacturers to whom the commodity would be a raw material and who might find themselves handicapped by that increase in duty, and would therefore expect some compensating increase in the duty on their product. Now, the manufacturer of cream separators uses tinplate to a large extent, and as a result of the increase in duty under item 383 he will find himself in the position of paying higher prices for some of his raw material.

Mr. STEVENS: My hon. friend is no doubt well informed, but I should like him if he could to indicate just what tinplate is used in the manufacture of separators.

Mr. YOUNG: The discs are coated with tin.

Mr. STEVENS: I do not think a disc manufactured from tin-plate would wear very well.

Mr. YOUNG: They do not, they get rusty very quickly.

Mr. STEVENS: I am afraid my hon. friend is in error.

Mr. YOUNG: No, I am not in error; I know there is a considerable amount of tinplate material used in these machines.

Mr. STEVENS: I am afraid I must challenge that statement.

Mr. YOUNG: I know the tin wears off very quickly, they get rusty and you have to renew them.

The result of this change will be to increase the cost of some of the raw material to the manufacturer. He will then seek compensation in the way of a higher duty upon his finished product. After this principle has been established it will be found that the cream separator man will have a real kick coming when we try to take off his duty; he will say, "You have increased the cost of my raw material and I must increase the cost of my finished product." The man who has been encouraged to go into the manufacture of tinplate will object to having the duty removed because of the investment he has made. The result of this legislation will be that more cream separators will be manufactured in Canada and Britain and the 23,838 separators which came in last year will be excluded from this country. Where will those separators be sold? They will be sold on the world market, there will be a dumping of separators somewhere. Our Canadian manufacturers will not be in a position to compete in the world market as they can compete at the present time.

Mr. STEVENS: The hon. member ought to be happy.

Mr. YOUNG: Because our Canadian manufacturers cannot compete? No. My hon. friend might be happy in succeeding in raising the cost of manufacture to a point where our manufacturers cannot compete in the world markets, but I am not. I would be much happier if he would create a condition of affairs where our manufacturers could compete in the world markets. This legislation increases the cost of production and puts our manufacturers in a position where they cannot lower the cost to the Canadian consumer.

I should like to refer to an argument made yesterday by the Prime Minister and repeated in part this morning by the Minister of Trade and Commerce. As a reason for the increase in duty, the Prime Minister said that it had been done in order to encourage the Canadian workman to consume Canadian farm products. He said that this country produced some $1,600,000,000 worth of farm products of which $1,300,000,000 was consumed in Canada. I asked the Prime Minister if he had made any allowance for duplications, but he replied that he considered the figures to be correct. I took the trouble to check over these figures and I find that in order to find a year in which there was $1,600,000,000 worth of farm products produced in Canada, the Prime Minister had to go back to the days of the Liberal regime in 1929. The Prime Minister has evidently forgotten that there has been a change of government and that there is no such wealth produced today. Today the total value of farm products produced is $880,000,000, just about one-half what it was in 1929.

As far as consumption by the Canadian people is concerned, let us see what happens to this production before it reaches the people. Some 3,000,000 horses have to be fed, some 8,000,000 cattle have to be fed, some 3,600,000 sheep have to be fed, some 4,700,000 swine and 65,000,000 poultry have to be fed; all these animals have to be fed before the people of Canada get a chance at this production. The Prime Minister simply took the gross value of all farm products produced in Canada and said that that is what we consume; he forgot that the hay is destroyed in producing milk, that the milk is destroyed in producing butter and cream and that the only thing that counts is the final product. I suggest to hon. gentlemen opposite that when they refer to a possible market for our farm products they take pains to see where the stuff is consumed.

Mr. COOTE: Can the minister advise whether or not the United States places an exchange dumping duty against Great Britain and against Canada?

Mr. STEVENS: There is no special duty imposed by the United States but it must be borne in mind that they have, first, a very high rate of duty, and, secondly, a specific provision in their tariff which enables the president, through machinery which can be very promptly put in motion, to impose an embargo or increase the duty as he thinks fit whenever it is disclosed to him that any industry or interest in the United States is affected injuriously. This power is quite frequently invoked.

Mr. COOTE: That is somewhat similar to the power exercised by our Minister of National Revenue under section 43? I have been told that cream separators are free under the United States tariff. If that is so, apparently that country is treating Great Britain

much better than we do. If that is so, it needs some stretching of the imagination to call this a preferential treatment for Great Britain.

Mr. CAYLEY: This is a most important item to the farm industry and I was wondering whether or not the National Dairy Council was consulted before this change was made. It seems to me that there is no other body or organization in the dominion which it would have been more logical to consult in connection with this matter. I know there was a body of farmers who desired to make representations to the government before anything was done, but they were not successful in their efforts.

Mr. RHODES: Neither the dairy council nor the manufacturers were consulted. This was dealt with as a matter of government policy, it was one of the items upon which Great Britain laid particular stress.

Mr. COOTE: Does the United States place a duty upon cream separators from Canada?

Mr. RHODES: Some of them are allowed in free but if they are above a certain value they carry a duty.

Mr. COOTE: It seems to me that the United States is treating us better than we are treating Great Britain, because we place an exchange adjustment duty against cream separators coming in from the old country while the United States has no such duty against Canada. We are in effect placing a duty of eighteen or twenty per cent upon cream separators coming from Great Britain. So far as I am concerned, I protest very strongly against this item, I think it is a mistake to have it in the agreement and the government should take up this matter with the British government in an endeavour to have the item changed by mutual consent.

Mr. YOUNG: Is this an item where the American tariff is reciprocal?

Mr. RHODES: I think the answer is in the negative.

Mr. BEAUBIEN: I think the hon. member for South Battleford (Mr. Vallance) made a very reasonable request when he asked that the government, through the Minister of National Revenue, allow cream separators to come in under the present duty without any interference by the placing thereon of an arbitrary value. The Minister of National Revenue is in his seat and I should like to get some assurance from him that this reasonable request will be acceded to. Before I take my seat may I say to my hon. friend from Stanstead (Mr. Hackett) that the only reason I mentioned the eastern townships was that I spent a very pleasant week-end there last year, and the people were so kind to me that I could not forget them.



Mr. SPEAKMAN: When speaking on the agreement as a whole I indicated that I thought this particular item was from our point of view the worst item in the whole schedule. I singled it out as the one which in my opinion would be the most difficult for the government to defend. It has been stated by the ministers who are representing the government and defending this agreement that all arguments from this side of the house are based wholly on the assumption that prices will be increased. It has been indicated, and I think quite correctly, that the final proof will be supplied by the actual circumstances that arise. The proof of the pudding is in the eating. That of course is true. It is equally true as applied to any other item or any other piece of legislation brought down in this house dealing with conditions with which we have not had previous experience. But in making an assumption it is reasonable to ask, is it based upon logic, upon experience in other lines which might well be applied to the particular case before us? That is about all we can do. As a matter of fact, the government itself is assuming just as much as anybody else when they say that there will not be a price increase. The question is, what are the logical grounds for the assumption? All discussion would be wholly useless were we to accept the situation that we must wait and see. We cannot do that.

What are the facts? They are well known, and have been reiterated so often that I do not care to repeat them. Cream separators have come in free for many years. Now a certain condition has arisen and a duty of 25 per cent is being placed on all separators coming in from any country outside the British Empire. We turn to past years and find that a number of years ago Britain exported quite a substantial number of separators to this country. That business was stopped during the war because the factory was turned over to other purposes, and during the last few years no separators have entered this country from Britain. What are we to assume by that? We can only assume that at the price which is being paid for separators in Canada the British did not find it profitable to compete. In view of the fact that for the last five years Great Britain has been combing the earth looking for opportunities to increase her export trade in every direction, we can only conclude that she has not sold separators

in this country because she could not sell them at the price fixed by competition in this country. I think we can accept that.

The purpose of this new provision is twofold, and both purposes are perfectly legitimate. One is to permit Great Britain to sell a number of separators here, increasing her business by means of the preference. The other purpose is to enable the manufacturers of Canada to sell a larger proportion of their separators. The result anticipated by the minister is that there will be a greater output of separators on the part of both Great Britain and Canada, and that with that greater output the chances are in favour of a possible reduction in the price. Is that likely to be the case? Time alone will show. But to my mind, going upon the facts we have, as Great Britain has not been able to sell separators in Canada at present prices, it seems to me that only one of two things can happen: Either the Canadian manufacturer takes the whole market and in view of his larger output is able to continue to sell at present prices, or else prices will rise to a sufficient extent to allow Great Britain to sell separators at a profit in this country. Those are the only two alternatives.

As to the former, that Canadian manufacturers may supply the entire market at present prices, so long as they supply the separators we want and they are of good quality, I do not think exception can be taken to that. But why bring that in as part of this agreement? That would be no good to Great Britain. The only possible benefit that can come from this to Great Britain is from an increased price. I think we are warranted in assuming that, and therefore I think the argument which has been advanced as to the weight which this imposes on the dairy industry is well founded. True, it is only an assumption but I think it is a reasonable one.

The statement has been made that as a counterbalancing factor the price of repair parts will be lower than it was. If that be true, it will apply, of course, to those separators which are sold in the future. Just what value would a lower price on repair parts be to the farmer who owns a separator if those repair parts can only come from Great Britain and are not suitable for the farmer's purpose and the machine he now has? If you practically exclude repair parts from the country which made the separator, the lower price of the repair parts does not help the farmer at all.

Mr. STEVENS: My hon. friend will bear in mind that while repair parts enter free from Great Britain, the duty on repair parts from all other countries has been decreased very substantially.

Mr. SPEAKMAN: Precisely, and to that extent undoubtedly it may be of some benefit to the farmer. In conclusion, without taking up any more time, I can only make the assertion that I look upon this item as not only unwise but unfair, as one which it will be most difficult to explain and defend in the country, and looking to the future I think we can only anticipate a higher price. It is one item to which I, in common with others, take great exception, believing it to be unnecessary as well as unwise. I might be asked, why then did I vote for the agreement? I voted for it, as I stated before, because against its disadvantages there must be offset the advantages of the British market for our butter and dairy products. You have to balance one against the other. But I do not think it is necessary to give with the one hand and take away with the other. If the farmer of this country requires a wider market for his products I think it is unfair to give him that with the one hand, and then partially deprive him of the benefit by taking away something with the other hand.

Mr. CAYLEY: In response to a question which I asked a few minutes ago the minister stated that this was a matter of government policy and therefore the National Dairy Council had not been consulted. I presume that would also apply so far as the British government is concerned. But I notice that in the schedule, under article one, free entry is provided into the British market for our butter and cheese and other milk products for three years certain. After that it is uncertain. That to me is a clear indication that the British government must have consulted their agricultural interests. In another article of the agreement reference is made to bacon and ham and pork products, and the provisions of that article are subject to a report to be made by a commission which is investigating farming conditions in Great Britain. I am convinced that the farmers of Canada have had a raw deal. They have knocked at the doors of the government asking to make representations so that the great industry of agriculture might receive some benefits and, at least on one occasion, they were refused. I point out that this government might better have left these two items of barbed wire and cream separators off the list entirely, because no matter what their explanations may be the farmers are feeling they are being imposed upon by what the hon. member for North Huron (Mr. Spotton) has described as a great

octopus. I am convinced that there is a whole family of them imposing upon the farmers, keeping prices up to a point they cannot reach. At the same time their farm produce, the only commodity they have to sell, is selling at ridiculously low prices. How can they go on with the prices they are receiving for their butter, cheese and milk; how can they pay for their equipment from the small receipts taken in for their produce. They are feeling keenly that this high tariff government is no friend of the farming industry.

Mr. RYCKMAN: I have been called to my feet by the hon. member for Provencher (Mr. Beaubien). In answer I state that we are dealing with an agreement the terms of which must be kept. But if there is unfair trade and the government is in a position to act, it will most certainly use any instrument which comes to hand to prevent such a condition. For many years of my life I have been connected with the cream separator business. I am only sorry the Hon. Thomas Low, late Minister of Trade and Commerce in this house, was not present because he would bear out the further remarks I have to make.

I have been debating in my own mind whether some of the information I am about to disclose is of such a confidential character that I should not give it to the committee. I have decided however to state the facts as I know them. If any person tells you that this tariff change was sought by manufacturers, do not believe it. The statement has been made that they did not seek it, and I wish to add my testimony to that effect. Let me say also that the business in cream separators is diversified throughout the whole world, and yet it is in very few hands. A situation arose when it was more important for manufacturers of cream separators in Canada not to manufacture, but to import from the United States. There are two such concerns with establishments both here and in the United States. Another cream separator company stated it was unfair that cream separators and parts should be free for the manufacturer, and yet a duty levied upon the farmers. Therefore there was the situation of one company being willing to take the protection, and the other company unwilling. As the Hon. Thomas Low could tell you that condition continued. If a duty on cream separators had been asked from previous administrations I am sure, owing to the strength of opinion which would have supported it, that duty would have been granted. Now, what will be the effect of this tariff change? The effect of the agreement with the United Kingdom representatives is that cream separators and parts thereof enter free. I feel satisfied if hon. members would examine the invoices in our custom houses they would find that the most important importer of cream separators and parts has been a company doing business in Canada. That will not continue, because that company—and a strong company it is—is quite able to manufacture those parts in Canada. This country, instead of the United States, will reap the benefit of such business. As the industry well knows, that is a plain fact.

Then, as to price: Do not believe that there is any danger of higher prices, because competition is now keen. These manufacturing concerns in Canada can manufacture at as low a price as they can manufacture in the United States. The suggestion may be offered that a greater market would give them an advantage in the United States, but I am suggesting that the two big concerns can tune up and give the farmer of Canada a cream separator at the price he is now paying. There will be no occasion for raising prices, and I feel sure the competition is so keen they will not be raised.

Mr. SANDERSON: The minister has mentioned two large companies. Will they not tune together, and thereby exact greater prices from the farmers?

Mr. RYCKMAN: There is just as little likelihood of their tuning together as there is of my agreement with my hon. friend opposite. I know that in the British Empire there is a factory which is subsidiary to the major factory situated in Sweden. But when we speak of factories in Sweden, the United States and Finland we must remember they are all under one control; we are speaking merely of a main company with subsidiaries. I assure the committee that in my opinion this, on balance, is all to the good. There is that anomaly with regard to parts which, I submit, is unfair, and I do not think any hon. member of the house could reasonably defend it. That is wiped out. Parts will come to the farmer at lower prices brought about by competition. The business which formerly, for convenience sake, was done in the United States, will be done in Canada.

Why was one of these manufacturing concerns strongly opposed to a duty on cream separators? Because, powerful as they were, they were manufacturing other dairy machines which were going into the United States duty free. They said, "Do not disturb the present situation, because if you do there will be trouble." This representation was not

made to the Conservative party, but to hon. members opposite when in power. But, on balance, in my view this is all to the good.

Mr. YOUNG: If the minister disturbs the relationship in existence between the company he has mentioned and their export business to the United States, would he not expect they would lose a certain amount of Canadian business as a result.

Mr. RYCKMAN: I think we will lose no Canadian business at all; in fact I think we will gain more.

Mr. DONNELLY: We have heard so much discussion on this cream separator item that I am led to wonder how we may expect Englishmen to export cream separators to Canada. Looking at the records we find that we have been exporting to Great Britain a large number of cream separators, and Great Britain has been exporting none to Canada, notwithstanding the fact that British cream separators were entitled to come in here free, as they will continue to be so entitled. What is going to arise to enable Great Britain to ship cream separators here? They will be on the same basis as they were before, they have been free, they are going to be free. But in some mysterious way they are now to come in. The only way I can see is that there is going to be an increase in price, if the price goes up then they will be able to come in. But there is something back of all this, there must be, as a reason why Great Britain has not been exporting cream separators to Canada. The fact is that the article made in Great Britain has not been favoured by Canadians, that is the whole story.

Then as to repairs from Great Britain being free, we are using no British machines, so we shall not want any repairs. What good will they do us? Then as to the great benefit to the farmers. We get cream separators in free now, we get the bowls in free, and if you take all other repairs that a man operating a cream separator requires what do they amount to in a year? About a dollar a year; so he may make a saving of five cents a year. But he will have to pay more for the separator. The government is making a great hurrah that they are going to save the farmer five cents a year on repairs. That is all it amounts to, it is another case of humbug, window-dressing, something to deceive the farmer.

Mr. STEWART (Edmonton): I have a few remarks to make on this item. Perhaps I could do it much better after we resume.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall item 409 carry?

Mr. STEWART (Edmonton): No, Mr. Chairman. I have listened with a great deal of interest to the discussion on this item, and particularly to the statement made by the Minister of Finance and the Minister of Trade and Commerce that this tariff increase will not increase the price of the finished article. That is an argument that has been used by the government in defence of other increases in the tariff, and in order to bolster up that argument they frequently point to the fact that there have been no increases in the prices of manufactured products in Canada since they came into office. Perhaps that argument is good, but let me point out to the government that there has been a tremendous falling off in prices all along the line since this government came to power, and that the spread between the primary and secondary products is much wider than ever before. Undoubtedly that is the result of the protection received by the manufacturing industry of Canada.

In connection with the cream separator industry may I say that I cannot conceive any reason why this industry needs any particular protection. I do not know any good reason that can be suggested as to why it should receive protection. We do know that the British manufacturer, as has been very properly pointed out by several hon. gentlemen on this side of the house, is manufacturing the larger sizes of separators used in large creameries, and that even their own requirements are supplied from foreign sources. I think it is evident that they will have to reorganize their industry at least if they are to actively compete with Canadian manufacturers. Not only do this government persist in giving protection to Canadian manufacturers almost to the point of exclusion; they take the opposite course when the raw products used by the same manufacturers are in question, and that is what has happened here. The raw products which enter into the manufacture of cream separators have been reduced pretty well all along the line, and the argument that repair parts for the separators now in use by the farmers of Canada will be cheaper does not mean very much. That saving will amount to very little in the case of the average farmer who purchases these repair parts. One thing is sure, as the hon. member for Lisgar said; when the government increased the protection on farm implement parts, repair parts manufactured by indepen-

dent industries who did not manufacture the complete article went up in price. There may be some reduction in these parts, but it will be very slight. The fact remains, and it has been self-evident throughout the discussion on tariff matters, that these increases will raise the price paid by the consumer. It seems to me nothing more need be said in that connection.

Hon. gentlemen opposite argued formerly that by increasing the tariff we created more employment for people in Canada, and in consequence created a larger consuming public for our natural products. If there were any possibility of creating a secondary industry in this country that could consume all the farm and manufactured products there might be something in that argument, but by no process of reasoning can it be argued that we are even within measurable distance of that state of affairs. Moreover, it does not help even in countries where they can almost consume all their own products; on the contrary it has created a very difficult situation for the consumers in those countries, and in general has helped create more unemployment. So the argument put forward by hon. gentlemen opposite that this change will be beneficial to anyone—that is, anyone but the manufacturers of cream separators in Canada—has no basis. Undoubtedly those manufacturers will take advantage of the protection they are afforded. I have watched this process of the application of tariffs fairly closely, because it is one of the things in which I have been very greatly interested. As I said the other day, I know of only one industry in Canada that has not taken and is not taking full advantage of the protection afforded them. I refer to the rubber industry. Hon. gentlemen may argue that to the extent of three or four per cent other industries do not take that advantage, but why are protective duties necessary?

Hon. gentlemen opposite have stated in connection with this particular item—I believe it was the Prime Minister who made the statement—that the Canadian manufacturer of cream separators could compete with the American manufacturer, that he could produce an article equal in value at an equal cost. I think he stated that the Canadian manufacturers had so perfected their organizations in Canada that the same separator was selling wholesale for at least $28 less in Canada than in the United States. In the next breath he said he would have to admit that the importation from the United States into Canada was very considerable. No, Mr. Chairman, every time you increase the tariff on a given product you can be dead sure that the consumers who purchase the goods will have to pay almost the whole of that increase.



Mr. GOTT: If there is an increase.

Mr. STEWART (Edmonton): My hon. friend says "if there is an increase." I have just pointed out that instead of increases in prices we should have reductions all along the line that we have not had.

Mr. MALONEY: Where is the increase?

Mr. STEWART (Edmonton): If my hon. friend lives another year or two he will see the increase, or if there is a reduction in world prices he will find that the Canadian product will not be reduced accordingly. That will be the position. Hon. gentlemen opposite assured the electors of this country that if they were returned to office they would increase the price of dairy products. That was one of the pet schemes on which they were elected. Have they done so?

Mr. GOTT: Yes, in western Ontario.

Mr. STEWART (Edmonton): Well, I am glad my hon. friend can say so. They have not done it in my constituency, and I am vitally interested. This year one of my neighbours who had been milking fifteen cows told me, when I asked how he was getting along, that he had given all but three of those cows to his neighbour, because, he said, the remuneration he was receiving for the products of those cows would not pay for washing the milk spots off his overalls.

Mr. GOTT: May I ask a question?

Mr. STEWART (Edmonton): My hon. friend will have his chance when I am through. He will have a chance also to explain to his electors just why he has not carried out the promises he made when they elected him in 1930.

Mr. GOTT: I did not make any promises.

Mr. STEWART (Edmonton): A great many other hon. gentlemen will have that opportunity also. May I tell my friends opposite that their electors are just waiting for an opportunity to hear the explanations that my friends may have to offer. Then, on top of that disappointment, they are taking the opportunity of loading upon the back of the farmers just a little more in the way of costs, and that in an industry which they have nearly destroyed already.

Mr. GOTT: Is this drama or comedy?

Mr. STEWART (Edmonton): That is what hon. gentlemen opposite have done. And then forsooth they turn around and say to us, "You would rather trade with the United States or some other foreign country than with Britain." May I say to hon. gentlemen opposite that the only interest that concerns me is the interest of the great consuming public of Canada. That is the only interest I have ever had.

Mr. KENNEDY (Winnipeg): Who is not a consumer?

Mr. STEWART (Edmonton): Hon. gentlemen opposite who live under the protection afforded them in manufacturing are usually not very heavy consumers. For the most part, if you come to examine it as minutely as I did some years ago, you will find that most of them are wearing and frequently eating foreign products; and most of them are always yelling, if they require anything in the way of raw products, to have such commodities come in duty free. That is the position which my hon. friends opposite occupy. Then they talk about our right-about-face in matters of this kind. If there is any raw product required in any given manufacture, they are here in full force asking that it be made free, and then when they get their product manufactured they place a respectable duty upon it so that they can milk the producers of the country in the process.

Item agreed to.

Customs tariff—410l. Ore crushers, rock crushers, stamp mills, grinding mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n.o.p., and complete parts of all the foregoing, for use exclusively in mining, metallurgical or quarrying operations: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tarif. 25 per cent.

Mr. BRADETTE: Can the minister give us some information in regard to this item?

Mr. RHODES: Under this item the imports last year amounted to $1,013,000; $309,000 came from the United Kingdom, $678,000 from the United States and $24,000 from Germany.

Mr. REID: Will the minister consider adding the words, "for road construction purposes as well." Many municipalities and provincial governments are in the market for rock crushers for road-making purposes, and this item is confined to machinery for metallurgical or quarrying operations. There will be a doubt regarding this matter when a municipality or a provincial government wishes to purchase a rock crusher for road purposes.

Mr. RHODES: Is the hon. gentleman asking that the item be enlarged to include crushing machinery for road purposes?

Mr. REID: Yes, if a preference is given.

Mr. RHODES: Of course the hon. member will realize that we cannot amend the article without further consultation. Is he merely asking whether such machinery is included in the item?

Mr. REID: Yes.

Mr. RHODES: No, it is not.

Mr. VALLANCE: Why not?

Mr. REID: This is rather important.

Mr. RHODES: There has been no change in the item so far as the wording is concerned; it is the same as it has appeared in the tariff.

Mr. BRADETTE: I gather that most of the crushers which are extensively used in the mining areas of this country have come from the United States, and the fact that we are increasing the tariff is bound to react on that fundamental industry in the mining sections of Canada, because the miners, like all primary producers, must obtain their machinery as cheaply as possible if they are to carry on. I have received protests in this connection, and some of those who are complaining are afraid that this will increase the cost of mining operations. Take the Porcupine district. Some ores there are yielding $7 per ton now and the committee will readily understand that the cost of production must be kept as low as possible or a mine like Hollinger will have to close its doors and then thousands of people who are employed the year round will be thrown out of work. I think the committee should give this matter thorough consideration. It is true that in Canada today we have an industry which manufactures some parts of big machinery used in these operations, but if my information is correct most of the heavy machines come primarily from the United States and England. As regards giving a preference to the English manufacturers, that is fine; but a large number of these machines must necessarily come from the United States and, I repeat, we cannot jeopardize the mining industry in this country by adding to its operating costs.

Mr. RHODES: Even under the old tariff of 10 per cent British preference we imported over $300,000 worth of mining machinery from England, and the obvious conclusion is that by widening the preference from 10 to 7½ per cent that importation will be still more largely in-

creased. May I say that we have received no protests whatsoever from the mining industry in Canada with regard to these proposals.

Mr. STEWART (Edmonton): What are the imports from foreign countries?

Mr. RHODES: From Germany, $24,000, and from the United States $687,000.

Mr. VALLANCE: What is the present duty on rock crushers used for road-making purposes?

Mr. RHODES: It is difficult for me, even with the officials of my department here, to give a categorical answer to my hon. friend because the probabilities are that crushers used in road-making come under another item, 422a or 427. It is a matter of ruling by the National Revenue department.

Mr. BRADETTE: The fact remains that at present our mining industry must of necessity purchase machines to the value of half a million dollars per annum, and I can see no other effect, from the change in the intermediate and general tariff, than to increase the cost of this machinery to producers in Canada. I suppose it is impossible at this time to have these tariff schedules changed, but I can frankly inform the minister that I have received protests from the mining districts, particularly from the new mines in northern Ontario, to the effect that any increase in the tariff will result in increased cost of production. I know that the minister wants to be fair to the mining industry, but surely in view of the fact that we are importing half a million dollars worth of absolutely necessary machinery required by our mines in this country, he must admit that any increase in the tariff against the United States is bound to result in an increase in the cost of production in that industry, inasmuch as we import so much from that country.

Item agreed to.

Customs tariff—ex 410o. Coal-cutting machines, n.o.p.: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. NEILL: I want some information in regard to this item. Some years ago this was put on the free list with a view, I believe, to cheapening the tools of production. As we all know, the coal industry from east to west is in a very bad condition, heavily bonused in the east, heavily bonused in the centre, rather slightly and shabbily bonused in British Columbia. So far as I learn, these machines are not exported from England to any extent, but are obtained in the United States, and certainly on the Pacific coast they will be brought in from that source. What is the importation from Great Britain, and what is the idea of increasing the duty, with its inevitable result upon this distressed industry?



Mr. RHODES: Usually my hon. friend is singularly well informed upon practically any subject on which he speaks, but I regret that in this case he is misinformed as to production in England. As a matter of fact they specialize in this type of machinery there, and are particularly efficient in the manufacture of coal-cutting machines. I may say to the committee that this is one of the items which Great Britain especially requested.

Mr. NEILL: What are the import figures?

Mr. RHODES: I am unable to give that information because I am informed by the officials that the figures are not segregated.

Mr. NEILL: How does the hon. minister know that the British are particularly successful in manufacturing and exporting this article?

Mr. RHODES: That information has been obtained upon inquiry.

Mr. NEILL: It seems to me to be one word against another. The minister has been informed that this is a very successful industry and I have been informed that it is not, and there are no figures available. I did take the trouble to attempt to obtain the information for which I have asked, and the minister is correct in stating that the import figures are jumbled up with the imports in connection with other articles. I have attempted to strike an average of the items under which this article comes which is imported from Great Britain, and I find it to be something like ·025 of one per cent. If that is correct there cannot be very large importations from Great Britain. Perhaps this argument may be rather specious because there might be a whole lot of this particular article and a small number of the other articles which go to make up the aggregate of the item. I shall not refer particularly to the undesirable system of lumping different articles together. So far as I can make out from the records of the Bureau of Statistics there will be a very small benefit to Great Britain because of this item. Unless the minister has positive knowledge that there have been so many thousands of these machines valued at so many hundreds of thousands of dollars brought into this country, I think we must accept the figures before us which show that there has been only a small number brought in. Can the minister give us any information as to the importations from the United States?

Mr. RHODES: I do not think the hon. member is justified in arriving at the conclusion that because we did not import a large quantity of coal cutting machinery from Great Britain when this article was free across the board, it follows therefore that they are not manufacturing a quantity and an excellent quality of this class of machinery. As a matter of fact, Great Britain is a fairly substantial exporter of this particular machine. The figures from the Department of Trade and Commerce disclose that last year she exported over half a million dollars worth of this commodity, some coming to Canada. The information from the mining industry is that the British machine is a highly efficient and modern product.

Mr. NEILL: Does the Canadian industry say it is satisfied with it?

Mr. RHODES: Yes. When I say the Canadian industry I hope my hon. friend will not take it that I mean the whole industry. Such information as we have been able to gather is to the effect that it is a highly efficient machine.

Mr. NEILL: And is used by Canadian coal miners?

Mr. RHODES: Yes.

Mr. NEILL: Does any of that information come from the Pacific slope?

Mr. RHODES: I cannot say "yes" to that.

Mr. NEILL: I will go a little further and say that my information is that on the Pacific slope they have to get their machines from the United States. This change will mean an increase in the price to the extent to which the duty is being put on, which is 20 per cent.

Mr. RHODES: Ten per cent.

Mr. NEILL: The industry will be penalized. It is ten per cent for the general?

Mr. RHODES: Ten and ten per cent.

Mr. NEILL: Although ten per cent may not seem very much it means a lot to an industry which is so dilapidated as this one. There may be some importation of these machines into eastern Canada, but the machines used on the Pacific coast are imported from the United States and the industry in that part of Canada will have to continue to import from that source.

Mr. COOTE: Will the exchange adjustment duty apply to this item? I understand that that duty is charged in connection with goods of a class made in Canada, and I was wondering if it would apply to this item.

Mr. RHODES: The exchange adjustment duty has a general application. My hon. friend need not put his query with respect to each individual item; he can take it that this duty is applicable in general.

Mr. BRADETTE: Are we discussing item 410a?

Mr. RHODES: No, 410o as appears in the bill.

Item agreed to.

Customs tariff—412a. Offset presses; lithographic presses; printing presses and typemaking accessories therefor, n.o.p.: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. MARCIL: Could we have an explanation of this item?

Mr. RHODES: What particular information does my hon. friend desire?

Mr. MARCIL: Where do these machines come from?

Mr. RHODES: The imports of the total item, out of which we have taken this one, amounted last year to $941,000, of which $123,000 came from the United Kingdom, $731,000 from the United States, and $84,000 from Germany.

Item agreed to.

Customs tariff—412b. Flat bed cylinder printing presses, to print sheets of a size 25 by 38 inches or larger, and complete parts thereof; machines designed to fold or sheet-feed paper or cardboard, and complete parts thereof: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—414. Typewriters and complete parts thereof: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MACKENZIE (Vancouver): How many were imported last year from the United Kingdom and the United States?

Mr. RHODES: The imports for last year were valued at $297,000, of which $11,700 came from the United Kingdom, and $285,000 from the United States.

Mr. MACKENZIE (Vancouver): Is it hoped to encourage the importations from the United Kingdom?

Mr. RHODES: Yes. I am told that already there has been an increase in the importations from Great Britain.

Mr. MACKENZIE KING: Has any order been placed by the government for English typewriters?

Mr. RHODES: Yes.

Mr. MACKENZIE KING: Is that in preference to Canadian typewriters?

Mr. RHODES: We are dealing with preferences.

Item agreed to.

Customs tariff—422a. Trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. COOTE: Were there any importations last year from Great Britain?

Mr. STEVENS: The item is not segregated but I happen to know that there is a very substantial business now being done and the prospects for a marked increase are very definite. Certain connections have been made during the last six months which should prove to be very beneficial.

Item agreed to.

Customs tariff—427. Ball and roller bearings: British preferential tariff, 5 per cent; intermediate tariff, 27½ per cent; general tariff, 35 per cent.

Mr. MACKENZIE (Vancouver): Is this article manufactured in Canada?

Mr. RHODES: Practically not.

Item agreed to.

Customs tariff—ex 427. Machinery, viz.: Power churns, power milk coolers, power fillers and cappers, power ice cream mixers, power butter printers, power cream savers, power bottle sterilizers, power brine tanks, power milk bottle washers, power milk can washers; ice-breaking machines, valveless or centrifugal milk pumps, sanitary milk and cream vats; none of the foregoing to include motive power: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—ex 428a. Engines for motor trucks or motor buses when of 100 h.p. or more: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—429. Cutlery of iron or steel, plated or not:

(b) table knives and table forks: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

(c) pen knives, jack-knives, and pocket knives of all kinds: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

(d) knives, n.o.p.: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

(e) spoons: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

(f) scissors and shears, n.o.p.: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

(g) razors and razor blades: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. SPEAKMAN: I assume that there is a substantial importation from Great Britain under this item.

Mr. RHODES: Our imports last year of knives and forks alone were $229,000, $167,000 from the United Kingdom, $33,000 from the United States, $16,000 from Germany and $11,000 from France.

Mr. MACKENZIE KING: Is it not a fact that 15 per cent has been retained on table knives and forks, the blanks of which are imported free, and that on all the other items the duty has been removed? Could my hon. friend explain why that is the case?

Mr. RHODES: That is because there is a very substantial industry in Canada.

Mr. MACKENZIE KING: Pressure from local interests.

Mr. RHODES. No. Protection is given along the same lines as has been given for the past five years to an industry which has been established here. The duty has been reduced five per cent.

Item agreed to.

Customs tariff—431b. Adzes, anvils, vices, cleavers, hatchets, saws, augers, bits, drills, files, rasps, screwdrivers, planes, spokeshaves, chisels, mallets, metal wedges, wrenches, sledges, hammers, crowbars, cantdogs, and track tools, picks, mattocks, and eyes or polls for the same: British preferential tariff, 10 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Mr. RHODES: The importations last year were $963,000, $174,000 from the United Kingdom, $638,000 from the United States, $116,000 from Germany, and $16,000 from Sweden.

Mr. MACKENZIE KING: There is an increase of 7½ per cent in the intermediate and 5 per cent in the general tariff. Can my hon. friend give me the names of the industries in Canada which will benefit by this increased protection?

Mr. RHODES: The tool makers are listed in the Canadian Trade Index as follows:

Accessories Manufacturers Limited, Montreal, Quebec.

Allard Machine and Tool Company, Toronto, Ontario. Amalgamated Electric Corporation, Limited, Toronto, Ontario.
Armstrong, Mervin, Toronto, Ontario.
Bridgeport Manufacturing Company, Bridgeport, Ontario.
Brown Engineering Corporation Limited, Toronto, Ontario.
Bryant, Pattern and Manufacturing Company, Limited, Windsor, Ontario.
Butler, William, Machine Company, Hamilton, Ontario.
Canadian Atlas Steels, Limited, Welland, Ontario.
Clark Machine Company, Thorold, Ontario.
Colonial Tool Company, Limited, Walkerville, Ontario.
Connor Machine Company Limited, Windsor, Ontario.
Dominion Rubber Company Limited (rubber machinery shops), Kitchener, Ontario.
Ford-Smith Machine Company Limited, Hamilton, Ontario.
Gibb's Tool and Stamping Works, Vancouver, B.C.
Hafer Machine Company Limited, Victoria, B.C.
Haliburton & White Limited, Montreal, Que.
Homer & Wilson, Hamilton, Ontario.
Jackson & Clark Limited, Vancouver, B.C.
Kartzmark & Sons, Hamilton, Ontario.
Lunn, G. J., and Company, Montreal, Que.
Milton Foundry Machine and Tool Company, Milton, Ontario.
Montreal Locomotive Works Limited, Montreal, Que.
National Steel Products Limited, Sherbrooke, Que.
Peerless Engineering Company, Toronto, Ontario.
Precision Tool Works Limited, Toronto, Ontario.
Pyramid Manufacturing Company Limited, Welland, Ontario.
Roelofson Elevator Works, Galt, Ontario.
Strom Machine Shop, St. Catharines, Ontario.
United Shoe Machinery Company of Canada Limited, Montreal, Que.
Whitfield, John Company, Limited, Toronto, Ontario.
Worth Machine Works, Toronto, Ontario.

Mr. YOUNG: What was the production in Canada?

Mr. RHODES: The production in Canada last year of saws was $877,000; axes, $529,000; drills of all kinds (tools), $346,000; drills—metal working, $18,000; punches and shears, $144,000.

Mr. YOUNG: It seems quite an extensive list of goods on which to have the price increased in order to grant this preference.

Item agreed to.

Customs tariff—ex 438a, ex 438b, ex 438c. Motor vehicles, n.o.p., not including motor buses: British preferential tariff, free.

Mr. MACKENZIE KING: How many automobiles have been brought in from Great Britain and of what classes?

Mr. RHODES: I shall have to give the imports under the different headings. Under 438a we imported last year $223,000, of which $221,000 came from the United States. Under 438b we imported last year $2,557,000, of which $2,544,000 came from the United States and $9,000 from the United Kingdom, and motor trucks we imported to the value of $939,000, of which $849,000 came from the United States and $90,000 from the United Kingdom. Under 438c we imported last year $1,037,000, $785,000 of which came from the United States and $239,000 from the United Kingdom.

Mr. MARCIL: What classes of automobile are we importing from the United Kingdom, costly cars or cars of medium value?

Mr. RHODES: The largest list of passenger cars which came from England would be in the higher priced group, although there was a limited number of cheaper cars, namely, the Austin and Morris.

Mr. MARCIL: Does the government expect the cheaper cars will be replaced by English importations?

Mr. RHODES: I should not like to say that. We are allowing for keener competition however and the English manufacturer will have his opportunity.

Mr. MACKENZIE KING: There was a time when all governments advocated the taxation of luxuries. This however seems an effort to admit luxuries free. The very expensive cars which only the wealthy may hope to purchase, are now admitted free of duty, whereas they used to carry 15 per cent. To my mind the only effect the change will have is to let in luxurious cars free of duty when in fact they represent a source of revenue we might have had. They could have been taxed under the head of luxuries.

Mr. RHODES: If the right hon. gentleman's statement of fact is correct, and for the moment I shall not quarrel with it, his conclusion also is correct. He must remember this however that, assuming we do lose the impost on a few of the higher priced cars coming into Canada, the chances are far greater that it will be made up by income taxation from the increased earnings of companies now afforded a larger opportunity to do an export business. Canada is in a far better position to manufacture motor cars than any other portion of the empire, with the possible exception of Great Britain. This change gives us entry into larger markets.

Mr. MACKENZIE KING: Does the minister think any exception would have been taken if the government had asserted at the conference that they were quite willing to remove the duty on all cars except those of a highly luxurious type, and had asked that duty on such cars might remain? A satisfactory source of revenue would have been provided, and would have maintained the precedent of taxing luxuries where possible.

Mr. YOUNG: I wonder if I understood the minister correctly. I understood him to say that the higher the profits our manufacturers could make, the more revenue we would have in income tax, and that therefore he was justified in enabling them to make as great a profit as possible at the expense of our people. I do not believe the minister really intended to subscribe to that principle. The other day when discussing one of these items I made the following statement:

This item shows an increase in the intermediate and general rates.

The preferential rate remained free.

According to the figures just given by the minister Great Britain in the past has practically dominated this market. I take it that the importations from France and Germany were of special varieties not produced in Great Britain. Why was it necessary to increase the rates in order to give Great Britain a further preference when she already controlled the market.

The Minister of Finance replied:

If those importations were of special varieties then they should pay something to the treasury of this country.

Then, later, I asked the following question:

I take it that the minister accepts the doctrine that special varieties of what we might call higher class goods should pay a higher rate than the more common varieties?

To that question the minister replied: Yes. I took it at that time that the minister subscribed to the doctrine that higher priced articles should pay a higher rate. It would seem however that in connection with this article he is not living up to that doctrine.

Mr. RHODES: That may be quite so, Mr. Chairman. I have no quarrel with the argument my hon. friend is making in this particular instance which, as he no doubt will admit, is rather unusual. My answer is however that this is a conference agreement.

Mr. YOUNG: Did anybody ask for it?

Mr. RHODES: No manufacturer or individual asked for it. It arose out of the conference agreement.

[Mr. Rhodes.]

Mr. YOUNG: When the minister states so frequently that nobody asked for this or that increase, but that it arose spontaneously from the agreement I am reminded of the time when Moses came down from the mountain only to find the children of Israel worshipping the golden calf. He turned to his brother Aaron and said, "What did these people unto thee, that thou hast brought so great a sin upon them?" And Aaron replied, "The people brought me their gold; I cast it into the fire and there came out this calf."

Mr. NEILL: Which is Moses?

Mr. YOUNG: The hon. member is saying this agreement arose spontaneously out of the conference, that it just came out.

Item agreed to.

Customs tariff—440j. Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing reels, bait and hooks, and fishing tackle, n.o.p.: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. NEILL: This is another item which will affect adversely the interests of the commercial fishermen, although on the surface it would not appear to do so. The previous rates were 20 per cent under the British Preference, 25 per cent intermediate and 30 per cent general. Now, under this agreement the government makes the rates, free, 25 per cent and 30 per cent. As I say on the surface it would appear not to hurt the fishermen, but the fact is that it does. The reason is that there are one or two commodities included in this item which, through other items of our tariff, came in free from every country as a special concession to the commercial fishermen. I have not all those items before me, but I have one just a few pages over. We notice in the item the term n.o.p., which I believe is the short form of the term "not otherwise provided for." But this is not a Canadian tariff. This is a treaty being made with Great Britain, and the expression, "n.o.p." can apply only to those articles not otherwise provided for in this document or agreement.

Mr. RHODES: No, no; my hon. friend is wrong in that assumption. The term n.o.p. is used in the item as it stands in the tariff today and as it will continue to stand.

The CHAIRMAN: I must apologize to the committee; I skipped item 438b concerning motor cycles or sidecars therefor.

Mr. NEILL: I suggest we finish the item we are discussing.

The CHAIRMAN: Very well.

Mr. NEILL: The minister's suggestion is that it refers to our tariff, but it does not say so. The expression is "n.o.p." which means not otherwise provided for. Our general tariff is not before the British government, and when the expression n.o.p. is used it must mean n.o.p. as regards this document. I believe trouble will arise in the future in this matter. This n.o.p. can refer only to the tariff before us, or that limited tariff with which we are dealing today. We will suppose that these articles come in from the United States and we attempt to impose a tax of 30 per cent. Well, in those circumstances it is no argument for the fishermen to say that under item 682c the rates for swivels are free, free and free because after all this is a tariff arrangement with Great Britain; it is not an arrangement with the United States. I submit there should be at least a definition that it is n.o.p. of the Canadian tariff. I should like to know how we are to get an article in free under item 682c of the customs tariff when a bargain has been made with Great Britain that such commodity shall carry a burden of 30 per cent. I ask the minister for a definite explanation of how he can make the expression n.o.p. apply to some other document not before us?

Mr. RHODES: I believe I can give a clear explanation,—at least I trust I can. My hon. friend will observe these schedules are attached to the agreement, but the law as affecting the tariff will be based upon the tariff proposals as contained in the resolutions in committee of ways and means. This item will be dealt with there. The expression n.o.p. will have reference to our tariff, just the same as it does today. If my hon. friend will look up the item 440j in the existing customs tariff he will find precisely these same words, including n.o.p. I therefore wish to assure him that the n.o.p. has reference to our Canadian tariff.

Mr. NEILL: It is in our ways and means committee, certainly, but what will the Britishers say? It will be misleading.

Mr. RHODES: No, the Britishers thoroughly understand the situation as I have explained it.

Mr. NEILL: I hope so.

Item agreed to.

Customs tariff—438b. Motor cycles or sidecars therefor: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 30 per cent.

Mr. RHODES: This is an entirely new item. It means we place motor cycles and side cars on the free list. Our importations last year were $241,000 of which $84,000 came from the United Kingdom and $156,000 from the United States.

Item agreed to.

Customs tariff—441. Guns and rifles of a class or kind not made in Canada: British preferential tariff, 5 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. MARCIL: If they are not made in Canada why do you put 5 per cent on the British preference?

Mr. RHODES: We have reduced the British preference from 10 per cent to 5 per cent.

Mr. MARCIL: Why not let them in free?

Mr. RHODES: Well, it is a fair revenue producer. Sporting rifles we felt should bear some tax.

Item agreed to.

Customs tariff—445c. Electric telegraph or telephone apparatus and complete parts thereof: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—445d. Electric wireless or radio apparatus and complete parts thereof: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. MARCIL: A great many of these goods are made in Canada at present?

Mr. RHODES: Yes, an increasing quantity, yet at the same time we imported a very large quantity last year, to the amount of $4,160,000.

Mr. MACKENZIE KING: The old rate of duty was 27½ per cent; what was gained by raising it to 30 per cent? It merely means additional protection to the manufacturer, and he will pass that on to the consumer.

Mr. RHODES: If one insists upon bringing the goods in under the general tariff he will have to pay 2½ per cent more duty. On the other hand my right hon. friend will realize that under the British preference we have reduced it from 15 per cent to free.

Mr. MACKENZIE KING: Assume the consumer wishes to buy a Canadian article, he will just have to pay that 2½ per cent additional.

Mr. RHODES: My right hon. friend and I will have to continue to disagree with respect to what will happen in that case.

Mr. SPEAKMAN: What percentage comes from the United States under the general tariff, and what percentage from Great Britain?

Mr. RHODES: Last year we brought from the United Kingdom $42,000 and from the United States $4,086,000 and from Germany $30,000.

Mr. MARCIL: Are the Canadian manufacturers of these machines satisfied with this arrangement?

Mr. RHODES: They were not asked as to their views.

Mr. MARCIL: I thought they had been consulted.

Mr. RHODES: No, they were not.

Mr. MARCIL: Were the English manufacturers consulted?

Mr. RHODES: They may have been by the British delegates, but not by us.

Mr. CAYLEY: Did you receive any protests?

Mr. RHODES: I know of none.

Item agreed to.

Customs tariff—445e. Electric storage batteries, composed of plates measuring not less than eleven inches by fourteen inches and not less than three-quarters inch in thickness; complete parts thereof: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445k. Flame proof electric switch gear, for use underground in coal mines: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—446. Electric steam turbo generator sets, 700 h.p. and greater of a class or kind not made in Canada, and complete parts thereof: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—446a. Steel bicycle rims, not enamelled nor plated: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 35 per cent.

Mr. MARCIL: Are these manufactured in Canada to any extent?

Mr. RHODES: No.

Mr. MARCIL: Bicycles are made here in large quantities.

[Mr. Rhodes.]

Mr. RHODES: Yes, but the rims are imported.

Item agreed to.

Customs tariff—446a. Golf shafts of seamless steel, coated or not, but not chromium plated: British preferential tariff, 10 per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—ex 446a. Bottles or cylinders of seamless steel used as high pressure containers for gas: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MACKENZIE KING: The old rate under the general tariff was 25 per cent, that has been raised to 35 per cent. What was the reason of the addition of 10 per cent to a tariff already so high.

Mr. RHODES: No, the former rates were 15, 27½ and 35 per cent. The new rates, free, 25 and 25; a reduction all round. You should congratulate us.

Mr. MACKENZIE KING: Yes, I do.

Item agreed to.

Customs tariff—ex 446a. Steel balls, not larger than three-eighths inch in diameter, commonly known as "burnishing balls": British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—476. Surgical and dental instruments of any material; surgical needles; X-ray apparatus; microscopes valued at not less than $50 each, by retail; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Sir EUGENE FISET: What was the value of the imports of these surgical instruments from Germany, the United States and France?

Mr. RHODES: It is impossible to give the exact figures, but I will give the total importations of the parent item from which this item was extracted. It is part of total imports amounting to $1,458,000 of which $51,000 came from the United Kingdom, $1,216,000 from the United States, $123,000 from Germany and $46,000 from France.

Sir EUGENE FISET: I wonder if the minister realizes that this increase of ten per cent in intermediate and general affects, practically speaking, one province only, the province of Quebec. As the minister very well knows, the teaching in our medical schools in Quebec is based entirely on the French method and the teaching in the French universities. The whole of our professorial staff,

as far as our universities and medical schools are concerned, have been taught in French universities; the descriptions of surgical operations contained in our technical books, including the instruments used, are altogether French. The students, the doctors graduating from these universities have been taught the French instrumentation. They have been taught nothing else. First they are taught the methods and then the use of the instruments, and you are simply exacting a premium from the practice of medicine and surgery in the province of Quebec. I mention Quebec particularly because we are practically the only province where French methods and French teaching are entirely followed. These surgical instruments include needles, x-ray instruments and microscopes. Do you realize that in our French universities and medical schools, as well as our French Canadian hospitals, and even in those medical units that have been organized recently, French instruments are used exclusively? We cannot exchange them for one very good reason. Two-thirds of the medical practitioners in the province of Quebec, especially those practising in the rural communities, do not read or understand English. Therefore it is impossible for them to substitute surgical instruments manufactured either in England or in the United States for the French instruments they have been using in the past, and it seems to me this legislation is going to place a great handicap on a profession which already is extremely handicapped in these times of stress. For these people a 10 per cent increase will make the price almost prohibitive as far as the purchase of French instruments is concerned. Surely the government is not so poor that by means of the tariff they must tax our universities, our hospitals, our medical men and so on. I am under the impression that under the heading of surgical instruments will come even those instruments which are used in our colleges for teaching the pupils. They are all of French manufacture, and the reason these articles were free under all tariffs in the past was because of the fact that Quebec is in an extremely awkward situation in this respect. So I say that this tariff is simply a premium levied against our French Canadian medical profession.

Mr. MARCIL: I wish to support the remarks of the hon. member for Rimouski Mr. Chairman. I have noticed in the French Canadian press several statements to that effect. For years the province of Quebec has been in the habit of giving scholarships to certain students who go to the universities in Paris and come back to Canada with the knowledge they have obtained there. We all know that science would be very much poorer today if it were deprived of the knowledge which has been gained by French scientists. In Quebec we have many people who have been taught the French methods, and certainly they would be placed under a great handicap if they were penalized by this tariff. I hope the minister will find a way out.

Mr. RHODES: I beg to assure my hon. friend from Rimouski as well as my hon. friend from Bonaventure that this is the first time this aspect of the matter has been brought to my attention.

Sir EUGENE FISET: That is exactly what I thought. Will the minister allow me one question? Were any consultations held with the college of surgeons of the province of Quebec, with the authorities in control of our French Canadian hospitals or with the medical profession of that province? I am rather surprised that the French Canadian representatives in the cabinet, particularly those from the lower part of the province of Quebec, have not entered a protest. I think this step is not justified. I do not think for one second that the government took this action wittingly; I am quite sure that the aspect of the case I have brought to the fore today has not been given due consideration.

Mr. RHODES: My hon. friend did not permit me to conclude. I was going to say that since our friends in Quebec are compelled to use these French instruments for the reasons outlined by my hon. friend from Rimouski, who is thoroughly familiar with the matter, this seems to me to be a case in which they should receive some special consideration. I may say to my hon. friend that I think he has made out a reasonable case, and I can assure him that the matter will be examined with extreme care. We will discuss the question with the British authorities, as my hon. friend will appreciate we are compelled to do under the terms of this agreement, and if any amelioration can be arrived at which will meet the objection my hon. friend has in mind, we will be only too happy to see that it is done. The object we had in mind was not to increase the expense to the hospitals or the medical profession at all; our sole object was to deflect into empire channels purchases of this kind. I am not minimizing the force of the argument of my hon. friend; it would be sound if they imported only $100 worth of these instruments, but I might point out that out of a total importation last year under the parent item of $1,458,000, we im-

ported from France only $46,000 worth, so the items under review here would entail much less than that amount.

Sir EUGENE FISET: But the minister must remember that the French Canadian hospitals and universities are few in number.

Mr. RHODES: I am saying that the blow would not be very heavy even if they were compelled to pay this 10 per cent, but I assure my hon. friend that the matter will be gone into with the British authorities to see if we cannot make an arrangement which will meet the objection raised by the hon. gentleman.

Mr. HOWDEN: I am in entire sympathy with what the hon. member for Rimouski has just said. I have some knowledge of these things, because I happen to live and practise in a French Canadian district in Manitoba. I cannot entirely agree with my hon. friend, however, when he says that Quebec is the only province that will be affected by this measure.

Sir EUGENE FISET: I said, "practically."

Mr. HOWDEN: I believe I am correct in saying that Swedish surgical instruments are the best on the market, and in the opinion of the medical profession where I come from certainly the next in order would be United States instruments. Instruments from these countries rank very highly in comparison with other surgical instruments, and to a very large extent they are used in our hospitals and by the medical men of the west.

This item is on a par with the other item referring to sera, toxins and so on, and to the other item covering surgical dressing. I might remind the committee that hospitals generally are charitable institutions which must be kept up by municipal and provincial grants and to a very large extent by donations from private individuals. I can assure you, sir, that hospitals generally are having a pretty hard time to get along just now. I might say a word for the medical men also, and assure the committee that at the present time they are not having a very fat time of it. These instruments and surgical appliances generally, together with dressings and other things, exact a pretty big toll from the average medical man, and a very large toll from the hospitals. I should have thought that in considering these items the government might have made good their revenues from other sources instead of taxing what are practically charitable institutions. There is no other institution in the land which gives so freely of its time, effort and expense in serving the people of Canada as the medical profession and the hospitals. I think this matter should be looked into by the Minister of Finance and the Minister of Trade and Commerce.



Mr. RHODES: I may say to my hon. friend from St. Boniface that he is assuming that of necessity this will involve an increased expenditure by the hospitals.

Mr. HOWDEN: That must be so in connection with X-ray apparatus.

Mr. RHODES: I have had occasion to make some inquiries into the matter of X-ray apparatus, and that will not be the case.

Mr. YOUNG: Why not?

Mr. RHODES: My information, after some careful inquiry, is that the British X-ray apparatus today is the equal of any in the world. They have made tremendous strides in X-ray apparatus, particularly in connection with photography. In fact, they lead the world today to a marked extent.

Mr. YOUNG: Do they tell you that themselves?

Mr. RHODES: Our idea in this was not that the hospital should pay more but that we should buy from empire sources, and as a result of the agreement arrived at the British manufacturers of X-ray apparatus and equipment of that kind are today arranging to have in Toronto headquarters where they will have their machines on exhibit, and where there will be experts for servicing. As speedily as possible they propose to have a central distributing area in each of the provinces so that the matter of servicing will be taken care of. There is no question about either price or quality. My hon. friend has said that Swedish surgical instruments are the best in the world. I must say that he is reflecting upon the members of his profession if that is so, because we do not import any from Sweden.

Mr. HOWDEN: I can assure the minister that I have bought a considerable number of Swedish instruments myself and they are the most expensive instruments in this country.

Mr. RHODES: I can say to my hon. friend that they must have come from the United States—

Mr. HOWDEN: Maybe.

Mr. RHODES: —because there were no importations from Sweden. I do not know that there is anything more I can say except that we have every hope and expectation of being able to supply the hospitals with these commodities from empire sources at no increase in price.

Mr. HOWDEN: The Minister of Finance will have a very hard time convincing the medical men in our part of the country that the British X-ray apparatus is the best on the market.

Mr. RHODES: My hon. friend must not misunderstand me; I said so far as X-ray photography was concerned they led the world. As regards the apparatus itself, I said it was the equal of any in the world.

Mr. HOWDEN: I can assure the minister that the western hospitals are to a very large extent equipped with American and European X-ray apparatus, German and French. Those that are already installed will from time to time require new tubes and other repairs, and there is no doubt that the increase in the tariff, intermediate and general, on these articles is bound to result in an increase in the cost of operating hospitals as well as in cost to medical men. We might ask the Minister of Railways what he thinks about it, but I suggest that this article might well be taken in conjunction with the articles of surgical dressings and sera. These three articles will cost the hospitals and medical men and as well the people of this country decidedly more. There is no doubt about that.

Mr. SPEAKMAN: I would not take up the time of the committee discussing this matter but I was asked by a medical friend, rather a well known man, whether I would present this statement to the committee as a matter of general principle applicable to questions such as the one now under consideration. His view is that in connection with instruments or medicine or any of those things upon which the lives and the health of the people directly depend, the first consideration should be not any question of business, not any question affecting the individual or the country producing or selling the commodity required, but that rather, in matters where the lives and the health of the people are directly concerned, the sole consideration should be the ability of those who require such instruments to get them where they can best be procured and at the cheapest price. That consideration alone should prevail. The opinion which this gentleman expressed was certainly that it would increase the cost or else force them to buy what they might not regard as equally suitable for the purpose. The principle he laid down, which in my opinion is a sound one, was that in such matters it was not a question of ordinary business but that the lives and the health of the people should take priority of any other consideration, and medical men should be able to buy the instruments they liked best at the cheapest prices. I pass that on to the consideration of the minister because I believe that the principle enunciated is absolutely sound.

Item agreed to.

Customs tariff—488. Nitrate and acetate of lead, not ground; platinum and black oxide of copper, for use in the manufacture of chlorates and colours: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: The total imports last year were $67,000, of which $14,000 came from the United Kingdom and $51,000 from the United States.

Item agreed to.

Customs tariff—522. Rovings, yarns and warps wholly of cotton, not more advanced than singles, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 15 per cent; general tariff, 22½ per cent; and, per pound: British preferential tariff, 2 cents; intermediate tariff, 3½ cents; general tariff, 4 cents.

Mr. RHODES: The total imports last year were $13,000 under this item, of which $8,000 came from the United Kingdom and $4,000 from the United States.

Item agreed to.

Customs tariff—522c. Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns wholly or partially covered with metallic strip, generally known as tinsel thread: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent; and, per pound: British preferential tariff, 2 cents; intermediate tariff, 3½ cents; general tariff, 4 cents.

Mr. RHODES: The total imports last year were $327,000, of which $76,000 came from the United Kingdom, $185,000 from the United States and $53,000 from France.

Item agreed to.

Customs tariff—522d. Yarns and warps wholly of cotton, mercerised, number forty and finer, imported by manufacturers to be further manufactured in their own factories: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—ex 522. Yarns and warps wholly of cotton, number forty and finer, when imported by manufacturers of mercerised cotton yarns for use exclusively in the manufacture of mercerised cotton yarns, in their own factories—until December 31, 1933: British preferential tariff, free; intermediate tariff, free; general

tariff, free; thereafter: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Mr. FACTOR: What does this mean, "until December 31, 1933"?

Mr. RHODES: They may be imported free until that date, and thereafter the rates will be as specified. That is in accordance with the agreement, to enable the completion of an industry which is being established in Canada to manufacture them.

Mr. YOUNG: Did they ask for it this time?

Mr. RHODES: This is a matter of agreement, and was in being.

Mr. YOUNG: Where is the industry located?

Mr. RHODES: In Guelph.

Mr. YOUNG: Owned by whom?

Mr. RHODES: It is a branch of one of the biggest industries in the world, Aberfoyle.

Mr. YOUNG: They didn't ask for this.

Mr. RHODES: I am not suggesting that they did not ask for this because they certainly did, but the agreement was made long before the conference.

Mr. YOUNG: This is one case where the Canadian manufacturer did ask for something.

Mr. RHODES: We had to make good our undertaking and the British agreed that they would recognize it.

Mr. CAYLEY: Who made this agreement before the conference?

Mr. RHODES: It was agreed between the Canadian government and this industry that we would admit their goods free until such time as they were in position to manufacture.

Mr. CAYLEY: In what year?

Mr. RHODES: They were in discussion with the government for at least two and probably six months prior to the conference.

Mr. CAYLEY: There were some parties interested in this agreement who had the privilege of interviewing the government.

Mr. RHODES: My hon. friend misunderstands me entirely. This agreement was made apart altogether from the conference and it had to be recognized in honour when we came to the conference agreements.

Mr. CAYLEY: It was not discussed at the conference?

Mr. RHODES: No.

[Mr. Rhodes.]

Mr. CAYLEY: I mentioned this morning that the farmers had not been given a chance to interview the government in order to make their wishes known as to what they desired to be in the treaty agreements but here is a case where evidently—

Mr. RHODES: I cannot allow my hon. friend to make that deduction. The farmer has the same right to make representations to the government as has anybody else and he has never been denied an opportunity of doing so. This agreement was made long before the conference and my hon. friend is now saying that because we dealt with these people at that time we dealt with them in a different way with respect to the conference. We have done nothing of the kind.

Mr. CAYLEY: In most of the answers to my queries the minister stated that no one was consulted, that it was just a matter of agreement.

Mr. RHODES: Yes.

Mr. CAYLEY: That is not so in this case.

Mr. RHODES: This agreement arose prior to the conference which had nothing whatever to do with it.

Mr. MARCIL: From what I read in the Montreal papers I understood that conferences were held between Canadian and British manufacturers long before the imperial conference took place, and that the arrangements arrived at were submitted to the government. Is there anything in that?

Mr. RHODES: There were any number of conferences of various kinds between different interests, but that had no reference to this agreement at all.

Item agreed to.

Customs tariff—523. Woven fabrics wholly of cotton, not bleached, mercerised nor coloured, n.o.p., and cotton seamless bags: British preferential tariff, 17½ per cent and 2 cents per pound; intermediate tariff, 20 per cent and 3½ cents per pound; general tariff, 25 per cent and 4 cents per pound.

Mr. SPENCER: What was the old schedule?

Mr. RHODES: This is a straight deduction of one cent per pound under the British preferential.

Item agreed to.

Customs tariff—523a. Woven fabrics wholly of cotton, bleached or mercerised, not coloured, n.o.p.: British preferential tariff, 20 per cent

and 2 cents per pound; intermediate tariff, 22½ per cent and 3½ cents per pound; general tariff, 27½ per cent and 4 cents per pound.

Mr. TOTZKE: What is the difference in this item?

Mr. RHODES: We have reduced the specific rate one cent per pound.

Mr. TOTZKE: What was the tariff prior to 1930?

Mr. RHODES: Fifteen, twenty-two and a half and twenty-five per cent.

Mr. SPENCER: What were the imports?

Mr. RHODES: Our total imports last year were valued at $1,049,000, of which $575,000 came from the United Kingdom, $426,000 from the United States, and $33,000 from Switzerland.

Item agreed to.

Customs tariff—523b. Woven fabrics wholly of cotton, printed, dyed or coloured, n.o.p.: British preferential tariff, 22½ per cent and 2 cents per pound; intermediate tariff, 27½ per cent and 3½ cents per pound; general tariff, 32½ per cent and 4 cents per pound.

Mr. STEWART (Edmonton): What were the imports?

Mr. STEVENS: Our imports were valued at $5,343,000, of which $2,365,000 came from the United Kingdom, $2,108,000 from the United States, $239,000 from Italy, $219,000 from Czechoslovakia, $170,000 from Belgium and $81,000 from France.

Mr. CAYLEY: What is the Canadian production?

Mr. STEVENS: The production is not completely classified. The production of denim is valued at $1,255,000; of ducks and drills, $1,756,000; of flannelette, $1,750,000; of gingham, $200,000; of shirtings, $1,500,000, of other prints, $6,376,000 and not specified, $4,500,000.

Mr. STEWART (Edmonton): I think this item proves conclusively that the Canadian manufacturer does take full advantage of any protection. It will be found that the imports from the United Kingdom have run along fairly steadily despite the fact that hon. gentlemen have increased the duty very materially. To my mind this is a clear indication that the Canadian manufacturer takes full advantage of the protection afforded him, otherwise the Britisher could not sell a dollar's worth in Canada. When the depreciated currency is taken into consideration, the total duty against the British importer is something like 58 per cent. That is the price the Canadian consumer must pay for these excessive duties. I am not complaining of the imports from England but I do say that this is a clear, concrete case of soaking the consumer. The trade is doing it to the fullest extent and my hon. friends know that this is one of the items which enter largely into the requirements of the homes throughout the country.

I do not intend to say anything more in connection with these textile items but I must comment upon the care taken by hon. gentlemen opposite to see that this industry receives the maximum protection, amounting almost to exclusion. I think it is grossly unfair to the consuming public that such protection should be given. In 1930 we were told that extra duties were being imposed in order to provide employment in Canada but I am informed that the result has been that under one-half of the employees are now working. I protest as vehemently as I possibly can against these excessive duties placed upon an article so important in the lives of the Canadian people.

Mr. SANDERSON: What were the rates prior to 1930?

Mr. STEVENS: On piece, dyed cottons the rates were twenty, twenty-five and twenty-seven and a half per cent, and on yarns, dyed, twenty, twenty-five and thirty per cent.

Mr. TOTZKE: No specific duty?

Mr. STEVENS: No.

Item agreed to.

Customs tariff—523, 523a and 523b. Woven fabrics wholly of cotton, composed of yarns of counts of 100 or more, including all such fabrics in which the average of the count of warp and weft yarns is 100 or more: British preferential tariff, free; intermediate tariff, 27½ per cent and 3½ cents per pound; general tariff, 32½ per cent and 4 cents per pound.

Mr. HEAPS: I would ask the minister what factors are taken into consideration in granting protection to a Canadian industry.

Mr. STEVENS: I am very glad my hon. friend has asked that question because it was fully considered when these matters were under consideration. One of the factors considered is the cost of raw material, but the main factor entering into this particular industry is the difference in labour costs in Canada as compared with other countries producing this article. The other factors considered are the normal factors of commerce such as overhead and the usual charges, but the two main factors are cost of labour and cost of raw material.

Mr. HEAPS: Does not the raw material enter this country free?

Mr. STEVENS: In this case, yes.

Mr. HEAPS: What is the difference in labour costs in Canada and Great Britain, which happens to be a competitor in this commodity?

Mr. STEVENS: I have not that information here, but when this matter was under discussion I brought the British representatives into close and direct contact with the representatives of the industry here, and we had them visit various plants in Canada. There is a difference in the way the industry is carried on here and in the old country. The machining part of it is somewhat different, and the labour factors are not on an exact parity. So far as they were comparable wages in this country showed a marked appreciation over those in the old country. I recall, and my hon. friend will recall, that he put on Hansard and I put on Hansard in days gone by comparative statements of labour costs here and in England, and roughly, as I recall, they were about double in Canada as of that day. But on close examination it is shown that this comparison is not as accurate as might appear on the face of it. I can merely say this, that the labour factor is an important factor, and while it is not exactly comparable due to the different methods followed in Great Britain, my hon. friend can rest assured that the labour cost is much higher here than in Great Britain.

Mr. HEAPS: It would have been very interesting if we could have had exact figures on labour costs. My own information is that labour costs in the textile industry in this country are less per unit than in Great Britain; that is, the number of looms handled by one employee in Canada is so much greater than in England that the actual labour cost per unit is less. Where we take into consideration that this industry is protected to the amount of 60 or 70 per cent, and this is not an over-estimate, it is certainly getting something in the way of protection which represents far more than the difference in labour costs. I was interested in this question because on many previous occasions I have on behalf of the textile workers in Canada urged that their wages were altogether too low especially when the industry was receiving so much protection. A couple of years ago, I think the Minister of Finance and the Minister of Trade and Commerce will remember, that we put up a rather strenuous fight in this house in regard to the protection given to the Besco Corporation and the benefits it was receiving, having regard to the working conditions prevailing in that particular industry, and I was very glad indeed to observe the sympathy we received from my hon. friend the Minister of Finance and the Minister of Trade and Commerce as we protested against the conditions prevailing, particularly with regard to the hours of labour.

Some time ago I sent a communication to the British Trades Union Congress to ascertain the wages paid in the textile industry in Great Britain, and on August 23 I received a reply from the research department of the Trades Union Congress. This communication shows that women, eighteen years of age, engaged in the textile industry in Lancashire, in the bleaching, dyeing and finishing sections, receive 18 shillings per week, plus 7 shillings and ninepence, or 25 shillings and ninepence per week. In Scotland they receive 15 shillings, plus 7 shillings and ninepence, or 22 shillings and ninepence per week. In Yorkshire women, eighteen years of age, receive 18 shillings, plus 43 per cent minimum. I have not figured out the exact amount that would be according to the present rate of exchange, but I know that in Great Britain the textile industry is highly organized so far as the employees are concerned and that they work a maximum of 48 hours per week.

In Canada what did I find? I wrote to the minimum wage board of the province of Quebec and in reply I received this document which I have in my hand, showing the wages for female employees who come under the minimum wage board. For the first six months they receive $6 a week; for the second six months $7 a week; for the third six months $8 a week, and for the fourth six months $9 a week. The experienced worker receives the sum of $10 a week. It must be borne in mind that before an employee is entitled to the sum I have just mentioned as being the weekly maximum she is compelled to work a 55-hour week. It means that a girl starting to work in the textile industry in the province of Quebec receives 11 cents an hour, and to an industry in which such working conditions prevail we are asked to give 70 per cent protection. I do not think that the Minister of Trade and Commerce or the Minister of Finance or any member of this house can claim that the wages which are being paid in this industry in the province of Quebec entitle the industry to the protection which parliament is being asked to give. If this item did not come before us in a treaty we would have the

opportunity of submitting an amendment, but unfortunately it is hardly possible for us to do that in the form in which it appears before us. I remember very well that the present Prime Minister some three years ago, when the Dunning budget was under consideration, and we were protesting against the protection being given the steel industry, particularly Besco, drafted an amendment, which was moved either by the hon. member for Winnipeg North Centre or myself, and which was more or less accepted in principle by all sides of the house, that where an industry was not paying its employees a decent standard of wages and providing reasonable working conditions it was not entitled to protection. I think that that resolution applies so far as the textile industry in this dominion is concerned because no one will claim that six or seven or eight or nine dollars a week is a decent living wage in the province of Quebec or any other part of this dominion.

When the minister speaks of the handicaps on the Canadian industry, I would point out that there are also certain handicaps on manufacturers abroad, particularly the British manufacturer. When he has to buy his raw material in the markets of the world he is compelled to buy with a depreciated rate of exchange. That is a handicap to him because when his exchange is depreciated and he buys raw cotton in the American market, our exchange being much higher than that of the exchange on the English pound, the Canadian manufacturer has that great advantage over the British manufacturer. Then when he exports goods to the Dominion of Canada he has to pay a double penalty on account of depreciated currency. I hardly think that is doing right in so far as Great Britain is concerned. In fact, I believe that by the tariffs we are putting up against Great Britain Canada is treating her worse than a great many foreign countries concerning which we have heard so much in this committee.

Then, there is a further aspect to this problem. This afternoon when discussing the item of cream separators the Minister of Trade and Commerce stated quite properly it was only logical that if we were selling goods to Great Britain we should buy goods in return. I agree that is logical. We are now dealing with a commodity Great Britain could export to this country, and we are not only putting a protective tariff against her but one which, in its essence, is exclusive. In the last couple of days I observed in one of the local papers an item describing a meeting held in Manchester by the Manchester chamber of commerce. For the information of hon. members I shall read part of the article:

> The Manchester chamber believes reductions in the Canadian tariff already announced are unlikely to enable British cotton, artificial silk and textile exporters appreciably to increase their trade. The chamber emphasizes the importance of the earliest possible removal of the exchange rates, dumping duty and other additional taxes, and to replace them all by one single straightforward tariff for each class of goods.

I do not intend unduly to labour that point, but I come to the next point in the dispatch, which is as follows:

> The chamber also hopes a new Anglo-Russian trade agreement will soon replace that which will expire shortly.

What does that mean? It means that this despatch from the Manchester chamber of commerce indicates that, first of all, they complain of the fact that they are unable to do business with Canada on account of the various obstacles placed in their way. Further it indicates that in view of the obstacles placed before them by the government of the day, they are going to look for new markets in order to find a point of export for their goods. Where do they look for new markets? They turn to Russia, which has been mentioned so often in this house, a country with which it has been said we ought not to do business. Part of our trade treaty deals with the Russian situation, yet as a result of our own action in Canada, we are practically compelling Great Britain by a series of tariffs to find markets in Russia.

For the moment I am more interested in labour cost in Great Britain and Canada, in connection with which the Minister of Trade and Commerce, for the time being at least, has not been able to give us very definite information. I venture to say however from information I have been able to secure—whether it is right or wrong I cannot say—that the actual labour content of goods produced in Canada is less than in Great Britain. That may be due to a number of causes, chief of which may be the more up-to-date equipment to be found in Canada. I know that in the past the Minister of Trade and Commerce and the Minister of Finance have been very fair, so far as wages are concerned. They have done their bit, and on many occasions have spoken in favour of fair wages and fair working hours for employees and labourers. I ask the Minister of Trade and Commerce this question: If unsatisfactory conditions prevail in the textile industry will the government of which he is a member take the same steps they attempted in regard to Besco, and force

textile industries to give to the young girls and other employees in their charge at least an eight hour day and a minimum wage?

Mr. STEVENS: At this point I believe I would do well to take advantage of the somewhat general discussion which has developed to make one or two observations in regard to this matter. In so doing I shall try to avoid duplication as we proceed with other items in connection with which the same observations would apply.

The hon. member has been quite reasonable, and with practically all he has said I have little fault to find. There is this to say however, and this statement applies to the textile list, that we were confronted with a very serious condition and problem. Speaking to other items I have intimated that the world condition has been very chaotic in the last few years. Many industries have become bankrupt. If one wants evidence of that he has but to recall what the Prime Minister said a few days ago. I remember his words clearly because I noted the circumstances at the same time he did. He told of an instance where one concern in Great Britain engaged in the textile industry had applied to the courts for a reduction of £3,000,000 in its capital structure. In other words, during the last few years, due to abnormal economic conditions that and many other concerns had actually imperilled their capital. The firm in question lost £3,000,000 in capital. That is, there was a loss in operation calling for that reduction. After giving careful consideration to the matter the court reduced it. How does that affect us? It means that during the preceding year or two an industry that had impaired its capital to the extent of £3,000,000 must have been selling its products below cost of production. I think that is an inevitable deduction, and cannot be disputed.

Mr. MALCOLM: Possibly there was a loss in inventory.

Mr. STEVENS: There might have been, but generally speaking it can be taken for granted that there was a loss in operation of that amount.

Mr. YOUNG: Possibly they were not operating at all.

Mr. STEVENS: No doubt the hon. member can find many things which might have happened, but I am attempting to speak in broad general terms of economic law which enters into a matter of this kind.

Mr. MALCOLM: I think the minister will admit that the loss in industry during the past two or three years has not necessarily been an operating loss. Shrinkage in inventory values has caused terrific losses.

Mr. STEVENS: No doubt that is true. However it indicates a loss in operation, whether by inventory or in cost of manufacturing. As a corollary of that we know that goods are being offered on the world's market at figures with which the normal cost of production cannot compete. My hon. friend opposite who has had wide experience in business will agree with that. That is the position with which we in Canada were faced. There were certain industries established employing large numbers of persons; that condition applied to the cotton, woollen and textile industries generally. A very substantial number of persons were employed. The government could have taken another course; we could have stated, "Well, we will do nothing; we will let the tariff stand as it is. Let industry sink or swim under that protection." Had we done so there can be no doubt that the textile industry would have been wiped out in Canada, because other countries in their struggle to preserve industry were willing to sell goods, whether they were inventory or newly manufactured goods, at sacrifice prices. We, however, chose the other course; to impose sufficient tariff protection to preserve that industry through this emergency. I agree that the wisdom of that course is open to question, some may say we should have taken the other course. As a matter of fact we took that course.

Hon. gentlemen are quite right in asking what we propose to do. This is what we propose, and it is clearly set out in the agreement. In the first place we have reduced the duty by practically one cent a pound to Great Britain through this list of specific taxes. But we propose to give to the British competitor of the Canadian industry access to the tariff board in this country, he is at liberty there to make whatever case he can to show that there is unfair protection.

Mr. SANDERSON: Would the minister permit a question?

Mr. STEVENS: Yes.

Mr. SANDERSON: Why did not the government form the advisory tariff board before the conference, then they would have had full information.

Mr. STEVENS: Well, I do not wish to be distracted into a discussion of that; my hon. friend may criticize that. I will quote the article:

Article 11. His Majesty's government in Canada undertake that during the currency of this agreement the tariff shall be based on the

principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

That reservation does not apply to the cotton industry now under discussion. Furthermore:

Article 13. His Majesty's government in Canada undertake that on the request of His Majesty's government in the United Kingdom they will cause a review to be made by the tariff board as soon as practicable of the duties charged on any commodities specified in such request in accordance with the principles laid down in article 11 hereof and that after the receipt of the report of the tariff board thereon such report shall be laid before parliament and parliament shall be invited to vary wherever necessary the tariff on such commodities of United Kingdom origin in such manner as to give effect to such principles.

I do not know of any process that could be fairer than that. We feel that the duties on textiles in this country are high, there is no disputing that—

Mr. SANDERSON: A frank admission!

Mr. STEVENS: But we were confronted with a condition, and had to make a choice, and during this period of depression we felt it was not justifiable to adopt a course which would inevitably close a large number of these plants and throw more people out of work. I submit that having in mind this emergency condition of the last two years, it was better to keep these plants going, and consider these broad economic questions later. I think my hon. friend will agree with me that that was the better course.

Now my hon. friend asks me in regard to wages. I have already intimated, and I cannot emphasize this point too much, because I happen to have been in touch with the British authorities who discussed and considered the matter, that it is not possible to make a fair comparison of wages between Great Britain and Canada. My hon. friend knows, for instance, that in the Canadian mills an operative will have charge of a larger number of looms than in the old country. So that while the nomenclature of the task may be the same, in Canada the actual number of looms tended by one operator may be larger, and it may be argued that that justifies the differentiation in wages. But the point intervenes there that in Canada there is more extensive mechanization, and greater limitation of manual labour. In other words in Great Britain they have limited mechanization to a certain degree as compared with Canada. So the comparison is difficult. Another point to keep in mind is one that my hon. friend himself referred to. In Great Britain the cotton industry is perhaps one of the most highly organized from a labour standpoint. Union requirements over there prescribe a limitation of the number of looms and of the degree to which mechanization may go. In Canada there is a different situation.

My hon. friend asks me also: Do I think it is fair that the rate of wages which he quoted should be paid in Canada? I would not wish to subscribe to the statement that it is fair, I have not given the matter specific study. I think it ought to be very carefully studied, and I believe it will be. But after all that is a matter which comes under provincial jurisdiction, because the minimum wage law is a provincial law. For the sake of the discussion here I am assuming that the provincial authorities in Quebec have examined this matter and are satisfied. I would suggest to my hon. friend that it is scarcely fair to quote the wages paid to what might be called apprentices. He will agree with me that a person tending a machine will become much more nimble after six or twelve or eighteen months than in the first few months.

Mr. HEAPS: I quoted them all.

Mr. STEVENS: Yes, but I am pointing out that for purposes of comparison the first six months or so ought not to be taken into consideration. But as regards the fairness of the wages paid under the Minimum Wage Act in the province of Quebec, I would not wish to offer an opinion now. I say to my hon. friend, that can well be disclosed by those interested in the labour question when the matter comes before the tariff board. I am authorized to say this, that it is the intention of the Dominion government that as soon as the tariff board is organized, or as soon thereafter as possible, this whole question shall be reviewed by that board. We know it is complex, we know it is difficult, we know that there are a great many interests in Canada concerned,—when I say that I am thinking more of employees than of the textile industry from an investment standpoint, because I frankly confess that I am not interested in that in any way. I am interested, however, in the existence or perpetuation of the industry in this country, if possible. I do not wish to see towns in Quebec and Ontario, the two provinces chiefly affected,—there are some in the maritimes and I think possibly some in a small way on the Pacific coast—I do not wish to see these towns and villages or the industries that sustain them

injured unnecessarily. I want to make that clear. I think most of the employees in them are happy as long as they can secure employment, and let us bear this in mind that in this industry there is a better rate of employment today, as far as continuity is concerned, than in any other class of industry.

Mr. HEAPS: What hours are they working at present?

Mr. STEVENS: I cannot tell.

Mr. HEAPS: More than three or four days a week?

Mr. STEVENS: Oh yes, I know that in many of these industries they are working full time, and some of them are working twenty-four hours a day. Of that we can get further particulars. But I think my hon. friend can take it that in this textile industry, generally speaking, the extent of employment is greater than in any other class of industry. In itself that is a good thing in these days, and the question of whether they could carry on as at present or whether they should be laid bare to competition is one which we submit will be subjected to the scrutiny of the tariff board.

Mr. STEWART (Edmonton): Can my hon. friend state how many are employed in the whole textile industry?

Mr. STEVENS: I have the figures for the cotton textile industry. The number of employees was 18,500, and the salaries and wages paid total $14,500,000.

Mr. HEAPS: Have you the salaries and wages separate?

Mr. STEVENS: No, I have not. I will give the figures I have here:

| | |
|---|---|
| Number of plants | 77 |
| Capital invested | $87,000,000 |
| Number of employees | 18,500 |
| Salaries and wages | $14,500,000 |
| Value of product | $58,000,000 |

Those figures have reference to the cotton textile industry. I think perhaps we can get the figures for the other industries if they are required, but there is no question that in the textile industry generally there is a very excellent standard of employment so far as continuity of work is concerned.

Mr. REID: But is the minister aware that in 1919 it was sworn before a parliamentary committee that this industry made a profit of 291 per cent, and that $5,000,000 worth of stock was purchased for only $500,000?

Mr. STEVENS: I happened to be the chairman of the committee that brought out those figures. There was only one concern, in the province of Quebec—for the moment the name has escaped me—that happened to make that profit, and I will tell my hon. friend just how it happened. This industry, like many others in Canada, had fixed its cost of yardage by past experience. As they ran a certain pattern of cloth for a few days on a given loom and then changed to another pattern—because they could not run continuously on one pattern for this market—naturally the cost was fairly high. Then they turned to the production of khaki cloth, and they ran twenty-four hours a day throughout the year on that cloth. The result was that at the end of the year they found themselves with an extraordinary profit. I may say that a very substantial portion of that profit was taken away by means of the excess profits tax, which was a war measure and which has been abolished. My hon. friend can rest assured that the textile industry today is not making anything in the nature of abnormal profits; some plants are getting by, and some are barely doing so. The one isolated case he has quoted is very clear in my recollection, and it should not and cannot be taken as an example of the whole industry.

Mr. HEAPS: I should like to say just a word or two in reply to the statement of the minister. I think it is generally recognized that after what happened in 1929 the textile industry, together with other industries, was confronted with a very serious situation. There is no doubt that many countries were willing to dump their goods into Canada if they were given the opportunity to do so. But when we hear of other countries that are anxious to dump their goods I always feel that we must bear in mind that perhaps no other country in the world dumps more goods than Canada. I cannot forget that every bushel of wheat sent out of this country is shipped out far below the cost of production. I know it is very difficut to find a way to improve that situation, but nevertheless that is the fact.

The minister speaks of the serious situation of the textile industry in Great Britain and the losses it sustained over a period of years. He said the capital of one concern had to be written down by £3,000,000, but when this was done the workers in that industry did not suffer as a result. In this country, particularly in the province of Quebec, there are workers in that industry who never have had anything approaching decent working conditions or wages. The minister himself has submitted figures which completely corroborate everything I have said. He has

told us that there were 18,500 people employed in the textile industry and that in salaries and wages they received $14,500,000. By dividing the number of employees into the wages and salaries received I find the average to be about $780 per annum. If we deduct from that the amount paid salaried officials who receive fairly high rates of pay, the committee can get some idea of the very low wages received by those employed in the industry. In 1928 a committee of the house was sitting before which certain information was given by those who were in a position to know. I think perhaps in those years the men and women were better employed than at present, but it was stated before the committee that the average wage of the girls employed in the industry was considerably less than $7 per week.

When I gave that figure with regard to the minimum wage of girls employed in the industry I was rather overstating the case, because those were the wages paid girls employed for the full week. It so happens that a large number of the people employed in the textile industry work on a piecework basis. Often they go down to the factory in the morning and find no work to do. They probably hang around outside for quite a long time, and then perhaps work a few hours a day. There are no wages for the time they do not work, so because of the intermittent character of the work in many factories the average wages of the girls, according to a sworn statement made before the committee, was between $6.50 and $7. I pointed out that the minimum rate was $6 per week, but that was for a fifty-five hour week. In Great Britain, as I have pointed out, the factories are highly organized, and I would suggest that the standard of living in the textile industry is somewhat higher than is the case in Canada.

Then I think my second contention was also proved by the remarks of the Minister of Trade and Commerce. I claim that the labour cost per unit was lower in Canada than in Great Britain. My first question to the minister this afternoon was very simple; I asked him what factors were taken into consideration by the government in determining the amount of protection given by the government to a particular industry. Practically the only answer I received from the Minister of Trade and Commerce was the statement that labour costs were substantially the determining factor.

Mr. STEVENS: I thought I made that fairly clear. I said there were two main factors, the cost of raw material and the labour cost. Then I said there must be considered also the usual factors which enter into such operations, the usual overhead charges such as interest on capital, light, heat, power, taxes and so on.

Mr. HEAPS: All these things make it so much worse for this item. A few years ago I happened to be in the centre of the textile industry in Great Britain, and the cost there for light and power was considerably higher than the cost in Canada. Then there is the question of the cost of raw material. As I have already pointed out, that is also against production here; the British manufacturer is compelled to buy his raw material in the United States market at a depreciated rate of exchange and ship it to Great Britain. Our dollar is at a considerably higher value than the English pound and consequently our manufacturers have an advantage over the British manufacturers in the exchange situation. When the British manufacturer attempts to send his finished product into Canada he is taxed first of all on account of the American exchange and then he has to pay a dumping duty in Canada. In the third place, as the minister pointed out, in the matter of machinery they are far more up to date in Canada than in Great Britain. That is absolutely true and that is why labour costs in Canada are lower than they are in Great Britain. Therefore if the argument is that owing to raw materials and labour costs we are compelled to give the manufacturers 75 per cent or something approaching that figure in the form of protection, then I cannot see anything in that argument and I think he can afford to compete almost without protection at all. But my main contention is that in the wages paid to industry in Great Britain during this whole period there has been comparatively a slight reduction, whereas our girls are earning the most miserable pittance, one which in my opinion ought not to entitle industry to one iota of protection until such time as the employees are enabled to enjoy a reasonable standard of living.

We are told that this matter will go before the tariff board and that all these arguments can be presented there. We are told that the tariff board will hear representations and adjudicate upon them and pass judgment. I remember the arguments which a few years ago, when the tariff board was functioning in this country, were advanced by some gentlemen who now sit to the right of the Speaker. They said then that the tariff board was the mouthpiece of the government. I wonder how much different it will be when there is a new tariff board in operation. I had hoped

to have a very definite declaration from the Minister of Trade and Commerce and the Minister of Finance that the protection given to this industry would operate much in the same way as it did in connection with Besco a few years ago, and that unless the employees were provided with a decent standard of living, decent wages and decent conditions to work under, then the protection would be wiped out, just as these hon. gentlemen said when they were in opposition. So far the minister has shelved the responsibility on the tariff board. He can do better than that if he wants to, because when he was sitting on the left of the Speaker he waxed eloquent on the $100 a month minimum. The wages in the textile industry, as worked out by some of my friends on the basis of all those employed, from Sir Charles Gordon downwards, amount to about $60 a month, and for the sake of giving these employees $60 a month we have to give a protection ranging as high as 100 per cent.

Mr. WOODSWORTH: My colleague has so fully covered the ground and has answered so well the statement of the Minister of Trade and Commerce that very little remains to be said, but I should like to emphasize one or two points. The minister spoke about the reduction in capital structure in the textile companies of the old land. Everyone knows that there was overcapitalization there. In the old country, however, it seems that they were able to protect the standards of the workers to a certain extent; the employers had to take certain losses. In this country, on the other hand, we have in the textile firms a splendid example of watered stock—not merely overcapitalization but absolutely fictitious capitalization. Some hon. gentlemen may remember that a few years ago the history of some of these textile firms was placed on Hansard by the hon. member for Beauharnois, and so startling were those figures that when one newspaper in Montreal published them it was immediately intimidated with the threat that the advertising would be withdrawn if the publication of the figures were continued. That illustrates how strong these textile industries are and how ruthless—yes, and as the hon. member for Bow River suggests, how free the press is. The fact is the companies were afraid to face the publicity.

The minister may talk as much as he likes about normal costs, but normal costs in this connection imply costs under a condition of highly-inflated capitalization. That is what normal costs have meant in this country, and this it seems we must keep up.

[Mr. Heaps.]

Mr. STEVENS: No statement of mine justifies that last observation.

Mr. WOODSWORTH: I think the implication is there.

Mr. STEVENS: Not at all

Mr. WOODSWORTH: The inference is that the costs in the past were what were termed normal costs and that now difficulties are being encountered. Special help must be given. I say that the normal costs were those that were based on a capital structure that cannot be justified under any proper conception of ethics. We are starting with that false basis and attempting to keep to that line at whatever cost. Our contention has been that the protection of industry is no guarantee whatever of the protection of workers engaged in that industry. Go to the United States and you will find that the most highly protected industries there, the textile industries, have been precisely the industries that over a long period of years paid the lowest wages.

The minister makes a special plea for the textile industry on the ground that we are in the midst of an emergency. But similar action has been taken in Canada almost since confederation and is continued now in the present depression. One would imagine however that since there is a depression, if industry is to be protected the workers in industry should also be protected. I read to the house a little earlier in the session advertisements which were being put out by the city of Montreal showing that Montreal was an excellent labour market—why? Simply because they had a rather subservient native labour group and secondly because they had a very heavy influx of poor immigrants eager to obtain jobs however low the wages might be. That advertisement was put out by the city of Montreal. The same kind of advertisement was published by the Montreal Light, Heat and Power Company. Here we have a population who have not yet been able to obtain protection through trade unions, and who are unable to obtain protection at the hands of this house.

It does seem to me that even though we are told that the terms of the treaty cannot be altered, we have a certain responsibility to our own people in Canada. I quite admit that it is difficult to make a fair comparison between conditions in this country and in Great Britain, but I would remind you, Mr. Chairman, that in the old country they have unemployment insurance, they have a much better old age pension act, they have sickness insurance and provision for a great many social amenities about which we know nothing

whatever in this country. In the province of Quebec, where many of the textile factories are located, they have not yet even adopted many of the schemes that have been adopted in other provinces of the dominion. So there is another side to this matter of comparison.

The minister takes the position which has been taken by the treasury benches ever since I became a member of this house, he shelters himself behind the British North America Act and says: we cannot do anything because some of these matters come under provincial jurisdiction. I do not think that that is a fair position to take. We have it entirely in our power when granting protection to stipulate the conditions under which such protection will be given. There is not the slightest doubt about that, and that argument has never been controverted. It is beside the mark to say that this matter must be attended to by the minimum wage board of the province of Quebec. We are granting special privileges and I contend that it is our absolute right under the British North America Act to state the conditions under which those privileges shall be granted. We must remember that the general public is being taxed very heavily in order to protect these industries and the general public ought to insist that there should be at least some protection for the workers. We come back to the point made by my colleague and which I think the minister has skilfully evaded, that protection for industry should be made contingent upon a decent standard of living for the people engaged therein.

Mr. POULIOT: Mr. Chairman, this item brings up the whole matter of protection. I remember the special session of 1930 when the right hon. the leader of the government (Mr. Bennett) said: we will give protection to the industries in order that they may keep their men at work—a promise which was made not only to this house but to the country as well. The Prime Minister made that statement from his seat in which we so seldom see him. What is protection? We hear about the Prime Minister protecting everyone, protecting those who are old and those who are young, protecting the men and protecting the women, protecting the rich and protecting the poor, protecting those who have beards and those who are clean shaven. He protects everyone, but what happens finally? We begin to realize that what he has said may have sounded very nice but there is nothing behind it. Now is the time to think, now is the time to place the real facts before the committee in order that we may see the situation as it is.

I should like to offer my sincere sympathy to the colleagues of the Prime Minister whose remarks are never listened to. Hon. members opposite have not the courage to say to the Prime Minister what I would say were I in their place.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: Instead of speaking to me, why do they not speak to him? Surely they have his ear; surely they can tell him that the people should be protected. Protected against what? Protected against the big interests that exploit the people more than they have ever been exploited before. I know some manufacturers, I have spoken to them about protection and asked them why they insist upon having protection. The answer has always been: We do not need it but we try to get as much as we can. That is what is behind the petitions they always present to the government. They should let the government alone in order that the Prime Minister and his colleagues may have time to think not only of those who control these special interests but of their partners, the workingmen. Without the workingmen the manufacturer can do nothing.

When we advocate the rights of the people, what are we told? We are told that the Liberal party is spreading communism throughout the country. I say to the Prime Minister through Hansard, because we do not see enough of him in the chamber, that he himself is offering the strongest excuse for communism. He forgets that the working classes of this country must be protected by the government of which he is the leader. I am sorry to have to speak in this manner but I am not a rubber stamp; I feel it my duty to express freely the sentiments of the electors who have honoured me with their confidence. I speak here as a free man to a man who is free to do that which is best for the interests of this country but who is not free to follow a stupid policy which will bring the country to ruin.

The Prime Minister stated that high tariffs would increase employment, but there would be just as many people employed in this country as there were when he took office. What happened? Yesterday the Minister of Labour stated that 800,000 people out of our total population of 10,000,000 were receiving relief from this government. This is only one phase of the situation. Not only are 800,000 unemployed in distress during these dire times, but there are those who work for mere pittances. I might mention the railway employees who though still on the pay-roll are receiving only a small fraction

of their former decent salary. Many of these men only have one period of work every three months.

What about Dominion Textiles, that mushroom industry? Other industries, such as the pulpwood industry, obtain their materials in this country, but it is an entirely different matter with the Dominion Textiles. They import their cotton from outside and they now enjoy very considerable protection. Is this company now employing as many people as they promised the Prime Minister in 1930 they would employ? It is very important that we should have this information in order to find out whether or not the management of this concern is true to its word.

Mr. Chairman, I do not think you were a member of the house when I advocated the payment of reasonable wages in the province of Quebec, in which move I had the support of many hon. members. I was not asking for high wages—I am an advocate of moderation—all I wanted was a reasonable wage for the workingman in order that he might live in some comfort, in order that he might have sufficient money to provide food for himself and his family, in order that he might clothe himself and his family and be able to send his children to school. The managers and board of directors of the Dominion Textile Company have no heart. They want their employees to work for them for nothing. They treat them like slaves, and is there any guarantee now that they will be treated any better in the future? Is there any guarantee, in spite of the promises which have been given to the leader of the government in writing, that those who are unemployed will be given work? Will they fulfil their promises? Will they keep on their pay-rolls the men they now have and the men who were struck off and who need work?

Mr. GARLAND (Bow River): Will they?

Mr. POULIOT: That is the question.

Mr. ROBINSON: Did your Prime Minister keep the promises he made in 1919 to the people?

Mr. POULIOT: In 1919 the Tories were in power and Sir Robert Borden was the Prime Minister.

Mr. ROBINSON: Well, your leader, then?

Mr. POULIOT: I respect my leader because he never promises anything that he cannot do, and he also realizes that he is human and never thinks that he is superhuman or a demigod. That is the difference between the two leaders in this house.

[Mr. Pouliot.]

There is another aspect of this question. This country, you and I, Mr. Chairman, and everyone in this house, and everyone outside of it, are being asked to protect this mushroom industry. These new items mean that the Dominion Textile Company will get more profit from the tariff, but no more employees will be put on the pay-roll. My hon. friend from Bow River knows that, and I know it, because I know the directors of that concern. In the end, because protection must be afforded to the greater number, parliament will have to vote huge sums of money to give direct relief to these people who are out of work. Instead of the Dominion Textile Company doing its duty, living up to the solemn promise that it made to the leader of the government, we the members of the House of Commons will be asked to vote sums by way of direct relief to people who suffer because their employers have not kept their word. It is a serious matter, and the money that we shall be asked to vote is the people's money.

Another thing that will result from this preference is that the Dominion Textile Company will charge more for their goods, in violation of their undertaking not to charge more if the tariff was raised. You heard that promise, Mr. Chairman, because you were in the house at the time, that if the tariff was raised prices would not be increased. But the Dominion Textile Company will charge higher prices, and you and I when we buy their goods in any store will have to pay more, but the employee will not get any more wages. The directors will put additional profits in their pockets. That is the whole story.

Mr. SPOTTON: All right, sit down, then.

Mr. POULIOT: I will surely not sit down, because it is a case where the teacher is now my pupil, and the teacher has a lot to learn. I am sorry, Mr. Chairman, to speak in that way to a gentleman who is a little older than I am.

Mr. SPOTTON: The hon. gentleman said that that was the whole story, and I simply suggested that if that was so he might sit down.

Mr. POULIOT: It is the whole story. It is an exposition of the facts. But now let me draw my conclusions. I ask you, Mr. Chairman, is this country ready to pay more for clothing just in order to give more money to Sir Charles Gordon and the directors who surround him in the Dominion Textile Company? I know that Sir Charles Gordon was the chairman of the committee in charge of

raising the last loan. He was supposed to do very well, but the loan took a long time to be subscribed. Of course, I know that that was not his fault. As president of the Dominion Textile Company he enjoys a preference greater than is granted to anyone else by this government. So much is that the case that in January last the Montreal Gazette published a supplement giving the views of all the prominent industrialists in this country, and while there was no interview from Sir Charles Gordon, there was one from another Mr. Gordon, who is one of the officers of the Dominion Textile Company, and amongst all the contributors to that supplement Mr. Gordon was the only one who said that protection during the last year had helped his industry a lot. It has helped him personally, Mr. Chairman, but it did not help his industry at all.

It is a very sad state of affairs, Mr. Chairman. I do not like to be disagreeable to anyone; I do not like to say unpleasant things, but if ever there was a time when we should come down to cold, concrete facts it is right now, and not after the adjournment. Are we going to let those employees suffer until after Christmas, and during those days when we celebrate the birth of the Lord who said: Peace on earth, goodwill towards men? There is a French proverb, of which I do not know the English translation, which runs: "Ventre affamé n'a pas d'oreilles." I will attempt to translate it for the benefit of my hon. friend who interrupted me a moment ago: "When one is hungry one listens to nothing." I am sure that my hon. friend could not have been fasting because he was listening to me.

I am a supporter of social order and of moderation more than the Prime Minister is and just as much as any other member of this house. If I use plain language it is because it is essential in view of the situation confronting us. The farmers have nothing, no money at all. How can they buy goods if, on account of the protection, those goods become dearer? What will happen to all those people who for a time were working for the Dominion Textile Company but who are now unemployed? What will happen to them? They are people of sane minds who are ready to abide by our laws. What do we expect from them, if they have not enough to eat, if they cannot procure food for their families or clothe them? What will the government do about it? The Prime Minister said on one occasion: "I will end unemployment," but he meant that he would aid it with the help of the provinces and municipalities. When we vote even one cent for unemployment we have to know the reason why, and as you know, Mr. Chairman, we should be in a much happier position if we were not obliged to do so. But the circumstances compel us to vote relief moneys. We have to do something to relieve the unemployment; we have to see to it that those who are engaged in industry, those who carry on big business in Canada have the social spirit, and that they do not forget the word of the Lord: "Thou shalt love thy neighbour as thyself." Their neighbours are the men who work for them, the labourers who have contributed to the fortunes and wealth of those controlling the business. Had it not been for the men and women working for the Dominion Textile Company those now at the head of that industry would not be as prosperous as they are today.

The hon. members from Winnipeg who have preceded me have indicated that there is plenty of watered stock in the textile industry. Where has it gone? That is one of the mysteries which future history will disclose.

Mr. GARLAND (Bow River): Possibly part of it went down the Beauharnois canal.

Mr. POULIOT: Then it is drowned.

Mr. QUINN: Do not talk about Beauharnois.

Mr. POULIOT: My hon. friends should not speak about Beauharnois when they know very well that members in their party received moneys from Beauharnois to carry on their election campaigns. In these times those who are prosperous should come to the aid of the needy; the richer they are the greater sacrifices they should make. If the Dominion Textile Company have enjoyed protection I suggest at this time the profits should be reasonably curtailed. What the company has it has taken from the backs of the people; the other fellows have had to pay for it. In conclusion—

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: I thank hon. members opposite for their very careful attention. It is time to see to it that industries are rationalized; it is time that everyone had his just dues. When the country owes nothing to certain people it should pay nothing. The people who must now be assisted are those who have suffered because the promises of one or several concerns have not been kept. We are accused by the Prime Minister of having been influenced by the passions of people who preach socialism. Well, if socialism is the love of one's neighbour, let me

say that I am a socialist. Again, if socialism consists of devotion to the poor, the weak and the hungry, I am a socialist. I do not believe that is socialism in the sense usually condemned by some leaders of the state. We have had enough of words.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: We must deal with plain facts, but unfortunately when I state that we must deal with real facts I have to use words. What is humbug?

Mr. CHAPLIN: We are witnessing an example of it right now.

Mr. POULIOT: Humbug is an expression which had been covered by the dust of centuries, but was unearthed in London about two years ago. Since then it has travelled a lot. I should rather describe than define the term. Humbug consists of those statements, which, I believe I am in order to state, are not according to facts, and which are made in order to create false hopes. Mr. Chairman, have I spoken forty minutes?

Mr. STEVENS: Yes, forty minutes.

Mr. QUINN: Tell us more about humbug.

Mr. POULIOT: If you insist that I abide by the rules of committee, I shall be content, because I am not a socialist in the bad sense of the term.

The CHAIRMAN (Mr. MacNicol): I was going to suggest the hon. member ought to confine his remarks to the item under discussion.

Mr. RHODES: I have listened with great interest to the remarks of the hon. member for Temiscouata. He is always entertaining and sometimes informative.

Mr. QUINN: Sometimes.

Mr. RHODES: I have gathered that he does not altogether like the Dominion Textile Company and I accept his statement that he is a socialist.

Mr. POULIOT: In the good sense of the term.

Mr. RHODES: Quite so. I am prepared to place my hon. friend on the top layer of socialism. I must say however that he has failed to enlighten me as to why he takes such grave objection to the item now before the committee. Inasmuch as he was most vehement in his utterances I take it he must have some objection. As a matter of fact the item we are discussing does not increase duties; on the contrary it removes entirely the duties under the British preference upon a wide range of commodities which formerly bore duties of 17½ per cent plus 3 cents per pound, 20 per cent plus 3 cents per pound and 22½ per cent plus 3 cents per pound. I fail to understand why my hon. friend should object to our placing these items on the free list, especially after the reference he has made to the Dominion Textile Company. It would be extremely interesting to me, and I am sure enlightening to the committee and the country, if he would show how these reductions are going to help the Dominion Textile Company, increasing as they do the competition that it will have to meet from a highly specialized industry in the mother country.

Mr. POULIOT: I wish to thank the minister for his explanation. I am glad to see that the government is on the way to conversion!

Mr. HEENAN: Did I understand that one of the ministers in his reply stated that the government or parliament had not the right to govern wage conditions through the tariff?

Mr. STEVENS: If the hon. gentleman was in his seat he would know what has been said. I do not think it is incumbent upon us to repeat it.

Mr. HEENAN: That is true; unfortunately I was not in my seat at the time. But I have been informed that one of the ministers stated that parliament had not jurisdiction to adjust wages under tariff items.

Mr. STEVENS: No such statement was made.

Mr. HEENAN: Well, words to that effect.

Mr. STEVENS: No, nor words to that effect.

Mr. HEENAN: Then in case there is any mistake I want to remind the ministers that they have the right. I quote no less an authority than the present Minister of Trade and Commerce.

I was referring to the three sitting in the front row.

Referring to the then ministers.

Not a minister has offered an explanation, not a minister has offered any sympathy or shown any interest in this matter. I am not sufficiently an expert to say that items 377a, 377b and 377c cover the ambit of this particular industry, but I imagine that they would. In connection with these items we have an opportunity of saying to this industry: "Yes, the parliament of Canada is prepared to give

you protection sufficient to enable you profitably to produce these articles"—the minister could do that just as easily as sitting there lolling in his seat—but before such tariff will apply you will satisfy the governor in council that the conditions of labour, the hours of labour and the wages paid are such as will afford a decent living! That is what the government could do; that is what parliament could do, and I say right now that that is what parliament should do before it goes a step further.

So that there may be no mistake I remind the minister that that is what he said.

Mr. WOODSWORTH: The minister a little while ago suggested that the very high profits of the textile companies had been made in connection with the war, and were exceptional.

Mr. STEVENS: May I interrupt? I do not wish the discussion to go off at an angle. I said that the particular figures quoted by the hon. member were figures with which I happened to be familiar, because I was chairman of the committee that investigated. I referred to that particular instance; I did not refer to the matter generally at all.

Mr. WOODSWORTH: I am very glad of that, because certainly the impression given was that these very high figures were exceptional and not general. In fact the minister apparently had for the moment forgotten even the name of this company.

Mr. STEVENS: I remember it now; I had forgotten it. It was Paton's.

Mr. WOODSWORTH: It was such a trivial thing that the minister had even forgotten the name of the company.

Mr. STEVENS: It was thirteen years ago.

Mr. WOODSWORTH: What we are trying to impress upon the committee is that these high profits that have been referred to are not so exceptional, but have been common; and that together with the high profits there have been very low wages. I referred a little while ago to certain statements put upon Hansard on June 15, 1931, by the member for Beauharnois. May I quote one or two very briefly. From 1924 up to this date the company referred to, the Dominion Textile Company, has paid without interruption dividends which are equivalent to 150 per cent on the initial investment of $500,000, and 15 per cent on the second subscription of $2,500,000 made in 1922. Then turning to another company, I read one statement in regard to Montreal Cottons. That company for the financial year ending December 31, 1929, the last for which I have figures, shows that its common stock, for which not a cent was paid, has a value in the books of the company of $3,000,000, and that after having paid dividends at the rate of 6 per cent on this watered stock it still has a surplus in accumulated profits not distributed of $633,000.

I happen to have in my desk the Financial Post of June 18, 1931, in which are given ten years' earnings of the Dominion Textile Company, which I desire to place on Hansard:

| Year | Earnings | Dividends | Surplus |
|---|---|---|---|
| 1920. . . . | $1,845,375 | $ 535,842 | $4,053,044 |
| 1921. . . . | 1,931,010 | 635,842 | 4,636,591 |
| 1922. . . . | 1,907,237 | 735,842 | 5,007,700 |
| 1924. . . . | 1,767,529 | 1,035,842 | 5,390,003 |
| 1925. . . . | 1,948,668 | 1,035,842 | 5,665,017 |
| 1926. . . . | 1,905,309 | 1,260,842 | 5,999,164 |
| 1927. . . . | 2,101,896 | 1,260,842 | 6,529,987 |
| 1928. . . . | 1,903,832 | 1,260,842 | 6,862,657 |
| 1929. . . . | 1,976,668 | 1,316,692 | 7,211,415 |
| 1930. . . . | 2,079,931 | 1,485,646 | 7,498,035 |

At six o'clock the committee took recess.

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## After Recess

The committee resumed at eight o'clock.

Mr. WOODSWORTH: When the committee took recess, Mr. Chairman, I was giving the earnings of the Dominion Textile Company over a period of years. Possibly it might be just as well to bring that statement up to date. According to the Financial Review of 1932 I find these figures to be:

| | 1931 | 1932 |
|---|---|---|
| Manufacturing profit.. .. | $1,085,251 | $1,071,245 |
| Dividends: Preferred. .. | 135,842 | 135,842 |
| Dividends: Common.. .. | 1,350,000 | 1,350,000 |
| Total surplus.. .. .. .. | 7,515,552 | 7,363,266 |

It will be seen that there was only a slight drop in the total surplus in 1932. I do not intend to detain the committee by giving the figures with regard to the other textile companies, but they tell a very similar story.

With regard to wages, the last figures we have are those contained in the Canada Year Book for 1932. If there has been any change since the publication of this volume it has been in the direction of a lowering of wages, owing of course to the cut in wages and to the fact that most of the employees are working on part time. At page 359 of the year book are given the average earnings in a number of leading industries. In connection with cottons, the male employees numbered 11,369 while the females numbered 8,157, a total of 19,526. In 1929 the average wage was only $771, while the average days of full and part time operation

numbered 258. I think the contrast between the profits secured by this company and the wages paid in the textile industry amply demonstrate the point we are trying to make, namely that the protection of the industry does not involve the protection of the workers employed by it.

Without prolonging the discussion, there are two or three questions I should like to ask. Why should not surplus, accumulated during years of prosperity, be drawn upon in a time of depression? Why should this particular group of industries be given such special privileges that they can maintain their surplus almost untouched? I ask why there should be a dole given those not in poverty? In the care of individuals who are in the bread line the utmost care is taken to see that they are not given relief unless they actually are in necessitous circumstances, but in this case the textile industries that have been fat and flourishing throughout these past years, and that are still in a very fair condition, paying dividends and retaining their surpluses, are given this tremendous dole amounting to millions of dollars. We have never had explained in this house the reason why arrangements of this kind should be made. Why, I ask, should we give preferential treatment to the textile industries? There are many other lines of business that are practically bankrupt, some of them absolutely so. We have been trying to point out from this corner of the house that the great wheat industry is in a very bad way in the west; in fact the agricultural industry all over Canada is in a bad way, with many farms mortgaged and some of them threatened with foreclosure. Apparently there is no effort on the part of the government to make any provision that will secure the savings of the farmers, yet when we come to the textile industries we are told that they must be kept in operation no matter what the cost.

I know it is useless to argue the point; all we can do is protest against this preferential treatment that is accorded one particular class of industry in Canada.

Mr. COOTE: There are one or two questions I should like to ask the minister in regard to this item. This afternoon the Minister of Trade and Commerce said the textile manufacturers in Great Britain would have the power to appeal to the tariff board to reduce these tariff rates if they were found excessive. I should like to ask the minister if the tariff board are to have the power to fix tariff rates, or whether that will be done by the government on a report from the tariff board.

[Mr. Woodsworth.]

Mr. STEVENS: I think my hon. friend knows the tariff act; I can get it and read it to him if necessary. He will recall, I think, that the matter of fixing the tariff is to remain the prerogative of parliament. There is no question of that. If my hon. friend will turn to what I read this afternoon—

Mr. COOTE: No; I am quite willing to take the word of the minister for that. I just wanted to be sure. Then there is another question I should like to put to the minister. If the difference in the wage costs of the two countries really is the basis for the tariff in Canada, why should we have a specific tariff of so much a pound on these different classes of goods? I am sure that does not work out at all in relation to wage costs. Some of the heavier fabrics bear twice the protection, under a specific tariff, that is given some of the lighter goods, so I cannot see that it has any relation to wage costs at all. I should like to know whether that was given any consideration when this tariff was fixed.

Mr. STEVENS: My hon. friend will recall that this afternoon I pointed out that the abnormal conditions with which industry generally was confronted when we came into office made necessary emergency treatment, and the treatment we gave this section of the tariff was the result of this emergent condition. I also pointed out to my hon. friend that we did not look upon this as a permanent condition of the tariff; we felt that it was necessary to take extraordinary methods to prevent the closing down of these important industries, and we achieved that end. As I pointed out this afternoon, we were confronted with two alternatives; one was to let the industry in Canada go, and the other was to take some steps that would adequately protect it against the dumping of goods from abroad, bankrupt stocks, distress sales and so on. That is the long and the short of it.

Mr. COOTE: Then it seems to me, Mr. Chairman, that we should suggest to the government that two years have elapsed since this emergent measure was taken, and that it is about time the tariff was put on a more equitable basis than exists at the present time. I understand that we are now guaranteeing the differential in regard to these specific tariffs. I do not see how we are going to get rid of them unless it is by agreement with the old land. I think that is a great oversight on the part of the government. It never should have been allowed at all.

An hon. MEMBER: It is not an oversight.

Mr. COOTE: Then it is a very bad piece of business so far as the people of this country are concerned.

Mr. STEVENS: These items now under consideration we are putting on the free list from Britain. That is absolute treatment, so far as that item goes.

Mr. HEAPS: What item has the minister in mind?

Mr. RHODES: 523a and 523b.

Mr. COOTE: The remarks I have made apply to a great many of the items we have been considering. Shortly before coming to Ottawa I was told by the retail merchants that the price of overalls had been advanced by the wholesalers, the manufacturers of overalls claiming that the cost of their material which they must obtain from the textile companies of Canada having been advanced by those companies. The farmer never had so little to buy overalls with as he has had this fall, and I certainly think it is the duty of the government to see that the textile people of Canada are compelled, if necessary by the lowering of the tariff, to sell their goods cheaper than they are doing at the present time. Overalls are about the cheapest clothing the farmer can buy and in some instances the only clothing, and it is nothing but a shame to have these goods advanced in price at such a time as this.

An hon. MEMBER: What is the price of overalls today?

Mr. COOTE: It would take what we call a butcher hog to buy a pair of overalls in Alberta, and it takes six months to produce that hog, which requires a good deal of feed during that period. There is one other question I want to ask. Considering the amount of tariff protection that is to be allowed the Canadian textile manufacturers, based on the difference in the cost of production in the two countries, is it the intention of the government that allowance should be made in the returns of capital stock of the textile companies now operating in Canada, or will action be taken to squeeze out some of the water in these stocks, similar to the action which the minister told us was taken in England in regard to one of the large cotton concerns there. There is absolutely no doubt, with regard to some of our cotton companies, that a great deal of this stock was nothing but water, and considering the price I do not think that provision should be made for the payment of dividends on that watered stock.

Mr. STEVENS: The way my hon. friend puts the question makes it impossible to give an answer directly. Let me say to him very frankly—and I make this statement not only now, for I have said the same thing publicly and to manufacturers' gatherings—that I have absolutely no sympathy with the practice that has grown up on this continent, not only in Canada but elsewhere, and in the world at large as well, of unduly watering stock, using the term in a general sense. Speaking for myself, and from an actuarial standpoint or from the point of view of ordinary economics, I do not think that should seriously enter into consideration with respect to the justifiable returns of any company.

Mr. WOODSWORTH: Do I understand that that principle will be applied by the government?

Mr. STEVENS: My hon. friend is putting to me questions of a character that could not possibly be answered in the terms which the questions indicate he desires. I am stating my own opinions and I have no hesitancy in doing so. I was going to direct his attention to section 4 of the Tariff Board Act:

> In respect of goods produced in or imported into Canada the Board shall, at the request of the minister, make inquiry as to—
>
> (a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;
>
> (b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production;
>
> (c) the cost, efficiency and conditions of labour, including health of employees, in Canada and elsewhere;
>
> (d) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;
>
> (e) all conditions and factors which affect or enter into the cost of production and the price to the consumers in Canada;
>
> (f) generally, all the conditions affecting production, manufacture, cost and price in Canada as compared with other countries;
>
> And so on.

In other words, the board will consider the well-recognized principles and factors that enter into the cost of production. So far as I am concerned, and I again make it clear that I am stating my own views, just as my hon. friends have done, I do not think that approval should be given to what is known as the watering of stock. I think that is a practice which is bound to bring disaster and should be frowned upon.

Mr. HEAPS: Has the minister had any protests in the past two years against the actions of the textile companies in this country?

Mr. STEVENS: Protests?

Mr. HEAPS: Yes.

Mr. STEVENS: No.

Mr. HEAPS: Have the secondary manufacturers, who are compelled to use the products of the textile companies, at any time protested to the government against the action of the textile companies, the arbitrary manner in which they deal with those secondary concerns?

Mr. STEVENS: So far as my department is concerned, I am not aware of any protests.

Mr. HEAPS: I ask that question because I have had protests made to me by certain manufacturers against the actions of the textile companies here and the way in which they were dealing with the secondary manufacturers. I know customers of the textile companies who have suffered in this regard. The moment the changes came about in these schedules, or rather when they were about to be introduced, the textile companies refused to supply Canadian manufacturers with their goods on invoice. They refused to quote prices until they knew what the tariff would be, and they knew it would go up. The result was that these manufacturers found themselves in difficulties; they did not know what to do. They had no way of supplying their own customers with textile products and in some instances they practically had to allow their factories to remain idle, because of the arbitrary action of those who received this tremendously high protection from the government. In other cases, I am safe in saying, manufacturers have been compelled to go out of business because it was impossible for these concerns to be supplied with the goods they wanted. The question of denim has been raised by my hon. friend from Macleod. In connection with this item, if the facts were gone into carefully by the minister he would find that the price has fluctuated almost in exactly the same degree as the tariff in this country. The result is that the second manufacturer has been placed in a most awkward position and his business has been reduced to very small proportions.

Mr. RHODES: I do not quite understand why this discussion has taken the turn it has with regard to this particular group of items. Let us deal with the commodity to which my hon. friend refers, denim. We have removed substantially the duties which have obained for years in connection with the British preferential tariff and have placed all these commodities on the free list, so that the condition of which my hon. friend complains cannot reasonably be expected to continue. Admitting, for the sake of argument, that the hon. member's statement is correct, the secondary manufacturer has not now to depend wholly upon the Canadian market; he has open to him, the whole range of British goods. The condition of which the hon. member complains is, I think, likely to be entirely eradicated by reason of the provisions of this tariff.

Mr. HEAPS: I may add that any remarks I make on any particular item will not be repeated on others, so I will not waste time in that respect. Could the minister tell me how much denim was imported from the old country?

Mr. RHODES: That information is not immediately at hand. If it can be obtained before the committee rises, I shall give it to my hon. friend. Denim is now upon the free list from Great Britain.

Mr. DONNELLY: As I understand it, these items 523, 523a, and 523b have been taken out of the regular schedule. I do not suppose the minister is able to give us any figures showing how much of these goods have come into the country during the past year nor is he able to tell us the Canadian production. If one considers these items for a moment he will realize that there is a nigger in the woodpile. The finer varieties of cotton goods which are not made in Canada have been put upon the free list so that the rich man can obtain these goods from England without paying a duty. The poorer and coarser varieties of cotton goods out of which overalls, workmen's shirts and things of that kind are made, must pay a duty. The government is running true to form in helping to make the rich man richer and the poor man poorer.

Mr. YOUNG: The discussion on these three items has covered practically the entire cotton textile industry. This afternoon the minister stated that the total production in Canada was valued at $58,000,000. Great Britain went off the gold standard in September, 1931, and I was wondering if the minister could give us the total importation of cotton goods from that date.

Mr. STEVENS: That would be very difficult, because September is precisely in the middle of the fiscal year and all statistics are compiled for the fiscal year. The only way we could get that information would be to put a staff on to segregate these items month by month and invoice by invoice. It could not be obtained except with considerable difficulty.

Mr. YOUNG: I understand the minister's difficulty, but I should like to have this information in order to discover the effect upon our importations of the exchange adjustment duty, as the minister likes to call it, which was imposed after Great Britain went off the gold standard. It is very difficult to arrive at the exact rates, but as nearly as we can figure them, the total duty will average something over fifty per cent. The total production of Canada is valued at $58,000,000, and fifty per cent of this amount would represent the increase in price made by the domestic manufacturers. This will give some idea of what this industry is costing Canada. We are told that it pays $14,500,000 in wages. That is so much to the good; that is something to be put to the credit of the industry, but, on the other hand, we want to know what this industry is costing us. If they are charging fifty per cent more than the goods are worth, then I would say that this industry which pays $14,500,000 in wages is costing us between $25,000,000 and $30,000,000 in increased prices.

It is about time that we began to take stock of our industries in order to find out which ones are profitable and which ones are not. Any industry which is not self-supporting and which cannot compete with the world, any industry which has to come to the government and ask permission to charge an extra price for its goods, is not worth while, even in these hard times. It is a parasite living upon the rest of the community. It is said that we must take care of these industries, that we must take care of the widows and orphans who have invested their money therein, but I am more concerned with the widows and orphans who have no money to invest in any industry, who have no clothing to wear and who cannot buy even the cheapest cotton goods. Last June the Minister of National Revenue told us how he would not let an importer bring in ten thousand dozen cheap ladies' dresses to be sold in Canada at three for a dollar, but today there are many of our people who cannot afford to pay even this low price.

I should like to deal for a moment with the quality of goods now being put upon the market. When you shut out foreign and British competition, and it has been shut out, and deliver the market into the hands of a Canadian monopoly, that monopoly is more than likely to deteriorate the quality of their goods as well as to increase the price. Canadian women have been accustomed to buying cheap house dresses which they wear for a day or two and then wash. I am told that the dress on the market today is so poorly dyed that the colours run as soon as they are put into water. I have been told by women that they actually have to soak such dresses in brine before they can wash them, and even then they have to be careful or the colours will run. I have been told also by women who have lived in the old country that they would never think of doing such a thing over there, they could wash the print dresses they bought and the colours would not run. Once the British goods are shut out—

Mr. STEVENS: British goods are not shut out; last year $1,500,000 worth of denim came in from Great Britain.

Mr. YOUNG: The duty on British goods has been made so high that it is difficult for them to come in. However, the very fact that they are still coming in in spite of the high duty is proof positive that our Canadian manufacturers are taking full advantage of the duty. If they were not taking full advantage of the duty to advance their prices, they would undersell the British product on the market and would be able to hold the market for themselves. One of the most prominent and perhaps one of the ablest protectionists in Canada has stated that when you put a protective duty upon an article, if the article does not stop coming into the country the duty should be taken off. That man is a manufacturer himself and he states that the manufacturers are taking full advantage of the situation. When the minister states that British goods are still coming in I accept that as proof that our manufacturers are taking advantage of this situation to raise prices.

Something has been said about the large profits of the companies engaged in this business. Personally I do not begrudge anyone any profit. I do not begrudge anyone anything he can make by his own effort, by his own energy, by his own enterprise and by his own application to business. But when anyone comes to the government and says: In order that we may make a profit we want you to pass legislation which will deliver the people of this country into our hands so that we can make them buy our products

at our price without considering conditions prevailing throughout the world, then I say that the business of that company becomes a matter of concern to us. We in this house have a right to know what that company is doing, what it is paying out in wages, what this industry is costing this country, whether it is an industry worth maintaining or not.

For the past several days I have been endeavouring to get from the minister the actual applied rate on goods coming in from Great Britain, all factors considered. He hesitated a considerable time about giving it because he said it would be hard to estimate accurately, and he did not want to risk the reputation of the experts of the department by having them quote figures that might not be accurate. But yesterday the Minister of National Revenue came into the house with an estimate of the actual applied rate which was a little higher than I had figured. I had figured that on the particular item under discussion the total duty would be about 47 per cent, but the minister in his calculation made it over 50 per cent. I think he was a little over generous, that he made out a worse case for the government than was really necessary. What he did was to add all of the six per cent sales tax to the duty. That is not quite fair, because the six per cent sales tax applies to the domestic product as well. All I wanted to get was the handicap under which the imported article comes into the country, and consequently only that portion of the sales tax which is levied on the artificial value of the pound should be charged. The six per cent sales tax would be levied on the Canadian product, but on the imported article it would be levied on the $4.86 which is the value of the pound for duty purposes, while the real value is only $3.73. I say it would not be fair to charge all that against the duty. It is only fair to charge the six per cent on the difference between $3.73 and $4.86, or approximately 1½ per cent.

In view of the fact that the minister himself with his experts has failed, after two or three days work on it, to make an accurate estimate I might be pardoned for offering to the house a little assistance in arriving at what the actual applied rates will be. I have prepared a table—we might call it "A Key to the Canadian tariff"—which in one column gives the quoted rate under the British preference and in the next column what the actual applied rate will be. Here is the table:

[Mr. Young.]

| Quoted rate under the British preference Per cent | Actual applied rate Per cent |
|---|---|
| Free | 23 |
| 5 | 28·3 |
| 7½ | 31·8 |
| 10 | 35 |
| 12½ | 38·1 |
| 15 | 40·9 |
| 17½ | 44·1 |
| 20 | 47·2 |
| 22½ | 50 |
| 25 | 53·2 |
| 27½ | 56·2 |
| 30 | 59 |

I think that will help us considerably in finding out what the rate will be on items in the schedules so far as we have gone through them. But when we enter upon the textile schedules there is another factor to be taken into account, because, in addition to the ad valorem and all the other duties, there is a specific duty of so much a yard or so much a pound or so much a dozen. That is a further complication. When I see how this tariff is built up of all these varying factors I am reminded of a story of a number of college students who wished to play a joke on their professor. They took the body of one insect, the legs of another, the head of a third, and the wings of a fourth, glued them all together and submitted the result to the professor for identification. He looked at the insect, adjusted his glasses, frowned, and then, "Ah", he said, "I see it is a humbug". I think, Mr. Chairman, this tariff, made up as it is of ad valorem duties, specific duties, exchange dumping duties, the excise tax, the sales tax and as many other things as the commissioner of customs and his assistants can think of, might well be described as a humbug.

The minister said a moment ago that they had actually reduced the duty on the item we are discussing. Reduced the duty from what? From what it was when they were through with it last year. Take item 523b. Here are the rates as they have been and as they are to-day. In 1895 the preferential rate on this item was 23⅓ per cent; in 1907, 25 per cent; 1923, 18 per cent; September, 1930, after the short session, 22½ per cent, and an additional three cents a yard, which made it approximately 27 per cent. In the fall of 1931, after Great Britain had gone off the gold standard, the rate suddenly jumped to 61 per cent. And now, after the imperial conference, in order to encourage interimperial trade, we have lowered the duty from 61 to 58.5 per cent, and the minister tells us that he has lowered the duties from where

we left them! We left them at 18 per cent. The government opposite have twice since then increased them, last year to 61 per cent. Now they have reduced that rate to 58 per cent, and the minister says it is done to encourage British trade!

As I said a moment ago, it is going to be very difficult to figure out what the actual rates will be on these textile items because there are the specific duties to be added to all the other duties, and the specific duty being so much per pound, per yard or per dozen, it is necessary to know either the weight of the article or how many ounces there are in the yard and the value in order to reduce the duties to a comparable basis. We did secure the services of an expert to figure out what the rate would be on this one item, 523b. He took a shipment of ten yards at 6¼ pence per yard, with the pound sterling at $3.66. The ad valorem rate would be 28 cents on that shipment; the weight duty would be 4.5 cents; the excise tax on the duty paid value, 5 cents; the dumping duty 21 cents; making a total of 58.5 cents on a one dollar shipment, or a duty of 58.5 per cent. Even in this calculation I think one factor has been overlooked, and that is that a larger portion of the six per cent sales tax has been charged than is actually justifiable, so we should have to add 1½ per cent to that, making the total duty 60 per cent. So that 60 per cent is the duty we are paying on this commodity. As I said before, the very fact that in spite of the tariff these goods are still coming in from Great Britain, is proof positive that our Canadian manufacturers are taking advantage of the situation to increase their price almost, if not completely, up to the level of the sixty per cent plus the regular price. Once more I ask: What is this industry giving in exchange for that? Sixty per cent added to the $58,000,000 worth of goods produced in Canada, and $14,000,000 paid in wages? Mr. Chairman, this industry is a luxury we cannot afford; we cannot afford to continue it.

I should like to draw attention to a statement made by the Prime Minister a few days ago. Speaking of the conference he said his aim was to shut out foreigners. His statement was, "That is the one thing we have done." The Prime Minister has told us that the only thing he has done since he came into power is to shut out the foreigner, but I say he has done more than that: he has shut out the Britisher as well. Since the imposition of this special dumping duty our importations from Great Britain have enormously declined. The following table will give a comparison of imports from the United Kingdom during the fiscal years 1931 and 1932:

| | 1931 | 1932 |
|---|---|---|
| Fabrics, bleached | $ 654,943 | $563,139 |
| Fabrics, unbleached | 416,392 | 264,711 |
| Fabrics, printed | 1,215,888 | 979,121 |
| Socks and stockings (cotton) | 27,269 | 9,099 |
| Carpets and rugs | 561,403 | 144,918 |
| Overcoating | 538,064 | 196,782 |
| Tweeds | 1,071,060 | 505,817 |
| Socks and stockings (wool) | 1,272,817 | 597,354 |

Hon. members will note the effect of the increased dumping duty levied upon British goods. It has cut British trade to less than half its former quantity. The Prime Minister states the only thing he has done is to shut out the foreigner, but I submit I have proved his statement is not so because he has shut out Great Britain also. The Briton is our best customer for wheat, for dairy products, for hog products, for cattle products, for nickel, zinc, copper and lead. Despite that fact the Prime Minister has shut him out of our market, and then wonders why we cannot sell our wheat.

What is he doing for the Canadian textile industry? He is permitting them to charge us an extra sixty per cent for our cotton goods and permitting the woollen interests to charge an extra price for their goods. He is permitting every other manufacturing industry to add to the price we have to pay for goods they have to sell. He says he does that in order to keep people in employment and in order that manufacturers may make profits, because we must remember that out of every $8 profit they make they must give him $1 for the treasury. In my view that is a strange way of doing things, but that is what he is doing for industries.

When we ask him what he is going to do for the farmers, the people who are to buy the products of other industries with which he is so much concerned, what does he say? "I am afraid," he says, "I cannot do anything, because the money I might have used to help the farmers has been lost in the wheat market." It is a pretty serious situation, Mr. Chairman, when the basic industry of Canada, an industry suffering more than any other, day after day, is having new burdens placed upon its back in order to sustain these secondary interests which, after all, are not employing as many men now as they were when this government took office. When the present government started in to bring prosperity to Canada there were many more employed in our factories than there are to-day.

Mr. PRICE: In what industries?

Mr. YOUNG: In all industries.

Mr. PRICE: To what industries is the hon. member referring? He has stated that in industries throughout Canada many less men are being employed. I ask him to tell me of what companies he is speaking. A moment ago he made reference to the woollen industry. I say to him that under the administration he supported industry had gone practically out of business. In the constituency I have the honour to represent it had fallen down to such an extent there was an absolute minimum of employment, and the manufacturers themselves were operating at a loss. Yet he stands up in this committee and not only once but, from actual count, four hundred and forty-nine times he states conditions are worse than they were previously.

Mr. YOUNG: Four hundred and forty-nine and a half.

Mr. PRICE: The hon. member always has some complaint. Hon. members on this side are beginning to wonder if out in Weyburn they have a zoological garden from which something has escaped. Let me tell him that the woollen industry in Canada is going ahead today, paying wages and employing more men than it did previously. It is producing goods for which there is a ready market. The hon. member has always been in favour of foreign countries, and particularly the country to the south of us. He could see no harm in dumping goods into Canada from foreign countries. Under the late administration he could see no harm in bringing prison made goods from the United States, but today when the government is giving assistance to Canadian industries, putting them on their feet and employing thousands of Canadian citizens, he objects. He says, "Oh, there is too much charged here and too much there." He is absolutely and unalterably opposed to the employment in Canada of Canadian citizens.

Mr. YOUNG: The hon. member for Westmorland is curious to know if we have a zoological garden in Weyburn. No, we have not; but I can tell him that if he will come out to Weyburn we have an institution which will take care of him.

Mr. CHAPLIN: Why did it not take care of you?

Mr. YOUNG: The hon. member for Westmorland has referred to the wool industry, which he says is thriving.

The CHAIRMAN: Hon. members must confine their remarks to the item.

[Mr. Price.]

Mr. YOUNG: Very well, we shall deal with woollens when we come to them.

Mr. PRICE: This is a wonderful hold up.

Mr. YOUNG: As I said a moment ago, we had to learn the actual invoice price of goods coming from abroad so as to figure out the actual applied rate on a shipment of goods coming in under item 523b. When we had that information it figured out to sixty per cent. I want to know if the minister cannot find some way of giving us what the actual applied rate will be on all these items that carry an ad valorem and specific duty in addition to all the others.

Mr. STEVENS: Did my hon. friend ask a question? We have heard his story so often that I confess to him with apologies that I was not following him this time. Was it something in connection with the exchange adjustment duty?

Mr. YOUNG: I asked my hon. friend if he could not devise some way, as we go through these textile items on which there are both specific and ad valorem duties, of figuring what the actual rate will be.

Mr. STEVENS: I explained this afternoon, at more length than I thought it justifiable to take time for, the conditions under which these duties were imposed, the reasons for them, the fact that we have reduced them under the British preference,—all have been reduced, some substantially and some just one cent a pound—and that the British manufacturers would have access to the tariff board where the matter of the weight of these duties might be fully considered. If we sat and talked here from now until next spring it would not alter the situation. I can assure my hon. friend that the government is quite sincere in its proposals. I do not know what I can say more.

Mr. YOUNG: The minister was busy when I was talking and did not follow what I said. I said we had gone to an importer and secured an invoice of a shipment under 523b. From that and the figures here given we were able to figure out what the actual applied rate was on that shipment. The duty had been increased by my hon. friends opposite during the past two years to as high as 61 per cent.

Mr. STEVENS: I heard all that.

Mr. YOUNG: Now it has been reduced to 60 per cent.

Mr. STEVENS: That is my hon. friend's deduction. I heard that.

Mr. YOUNG: Yes, that is the deduction I make, and if I am wrong I wish the minister would set me right. If anyone on the other side of the house is capable of making a deduction more favourable to the government I shall be glad to hear it.

Mr. STEVENS: I have already pointed out time after time that my hon. friend includes in his rate of duty the exchange adjustment duty, which is an entirely different thing from the customs duty. He differs from us in that, and there is no use in our discussing it further. I have gone over that again and again.

Mr. YOUNG: My hon. friend seems to have the idea that we should not include the exchange adjustment duty, but I have pointed out in the figures I quoted on importations from Great Britain that the addition of that exchange adjustment duty a year ago this fall had the effect in the first six months of cutting our importations from Great Britain in half. I think, therefore, we are justified in taking into consideration that exchange adjustment duty. It is having the effect of shutting these goods out of this country, of putting our own manufacturers in a position to raise their prices by that amount. He can call it anything he likes, but it is a duty, and it is collectable. He says: "We have made reductions." We want to know what reductions. In this case they say there has been a reduction of one per cent. When they came into office it was 18 to 20 per cent; they raised it to 61 per cent; now they reduce it to 60 per cent. If there is anything wrong in my figures there are a hundred men on the other side of the house who ought to be able to figure it out, and if not they have the experts of the department at their elbow to do it. All we ask, and all we have been asking all this week, is that they tell us what the actual rate is. They ask us to put certain rates into effect, and when we ask what the rates are, they cannot tell us.

Mr. RHODES: I do not know whether it is worth while, Mr. Chairman, but I direct your attention to the fact that the item my hon. friend is discussing just now was passed early this afternoon.

Mr. MOTHERWELL: If the ministers have no better defence to make to their outrageous tariff we will have to accept the figures of the hon. member for Weyburn as correct. I am prepared to take them as correct, because there has been no defence made.

Mr. DONNELLY: When the special schedule was prepared there must have been some information in the hands of the department as to how much of these goods were made in Canada. Can the minister tell me how much of the goods coming under 523, 523a and 523b are made in Canada?

Mr. STEVENS: We gave that all this afternoon.

Item agreed to.

Customs tariff—523e. Woven fabrics wholly of cotton with cut pile, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent and 3½ cents per pound; general tariff, 32½ per cent and 4 cents per pound.

Item agreed to.

Customs tariff—523f. Woven fabrics of cotton, not coloured, when imported by manufacturers of typewriter ribbon for use exclusively in the manufacture of such ribbon in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general, tariff, 15 per cent.

Item agreed to.

Customs tariff—524. Seamless cotton duck in circular form, of a class or kind not made in Canada, for use in the manufacture of hose pipe: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. YOUNG: What are the importations?

Mr. RHODES: Last year the imports were $108,000, of which $105,000 came from the United States.

Mr. YOUNG: And the other $3,000?

Mr. RHODES: It is not indicated.

Mr. YOUNG: Not much chance of Great Britain getting into that market.

Item agreed to.

Customs tariff—528. White cotton bobinet, plain, in the web: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. YOUNG: What is that?

Mr. RHODES: It is a knitted fabric, and the importation is comparatively limited. Last year the total imports amounted to only $6,000.

Mr. YOUNG: I would like to ask the hon. member for Long Lake (Mr. Cowan) if that is the kind of cotton they use in their organization.

Mr. COWAN (Long Lake): Anyhow we have an organization that is not all mouth.

Item agreed to.

Customs tariff—529. Embroideries, lace, nets, nettings, bobinet, n.o.p., fringes and tassels, wholly of cotton: British preferential tariff, 20 per cent and 2 cents per pound; intermediate tariff, 27½ per cent and 3½ cents per pound; general tariff, 30 per cent and 4 cents per pound.

Mr. SPEAKMAN: Has the minister any idea of the average or approximate value per pound of these goods? I might point out that in this item, as in many others, there are two kinds of duties, the ad valorem and the specific. If we are to make even an estimate as to the real percentage of duty it will be necessary to have some idea of the value per pound.

Mr. RHODES: I am advised that an average figure would be practically valueless, since this covers a hundred different varieties of commodities.

Mr. SPEAKMAN: That is what I rather suspected, and I wondered on what basis those specific duties were made up. There is an unfortunate anomaly here. Referring to items 523b and item 529, we see that each has the same specific duty of 2 cents, 3½ cents and 4 cents in the one case, and 2 cents, 3½ cents and 4 cents in the other. The first item covers woven fabrics of cotton, while the second item covers embroideries, lace, nets and so on. The first item covers ordinary cotton goods of various kinds, which I imagine would be a good deal heavier than the laces and embroideries which are included in the second item. I was merely going to point out the unfortunate anomaly which exists here; under a specific duty, which bears no relation to the value at all, that duty must always rest more heavily on the cheaper, commoner and coarser goods than on the lighter, finer materials. Up to a certain point it is always heavier on ordinary cloth, while the fact is that the heavier, coarser yarns are the less valuable. This establishes the thoroughly wrong principle that the cheaper and coarser goods carry a heavier rate of duty than the lighter and more valuable fabrics.

Mr. TOTZKE: I presume this is one of the items in connection with which the British preference has been reduced?

Mr. RHODES: Yes.

Mr. TOTZKE: Will the minister tell us what the tariff was before 1930?

Mr. RHODES: It was 20 per cent, 27½ per cent and 30 per cent.

Mr. TOTZKE: There was no specific duty?

Mr. RHODES: No.

[Mr. Cowan.]

Mr. TOTZKE: So there is no real reduction?

Mr. RHODES: It is only a reduction from the specific rate existing at the moment. Of course my hon. friend realizes that this rate was put on for a specific purpose, to meet an emergent condition. It was never intended to remain permanently.

Mr. TOTZKE: It is not intended that the high tariff shall remain there?

Mr. RHODES: No.

Mr. TOTZKE: But under this agreement it will remain for five years.

Mr. RHODES: No, we can reduce it.

Mr. TOTZKE: With the consent of Great Britain?

Mr. RHODES: Yes; we can reduce, but we cannot increase.

Mr. TOTZKE: You can reduce any item under this agreement?

Mr. RHODES: Yes, where we reduce the preference rate. They would be very glad to have us do so.

Item agreed to.

Customs tariff—532. Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent; and British preferential tariff, 2 cents per pound; intermediate tariff, 3½ cents per pound: general tariff, 4 cents per pound.

Item agreed to.

Customs tariff—537b. Linen thread for hand or machine sewing: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. REID: Would the minister give me the figures on this item, and tell me where the thread comes from?

Mr. RHODES: The total imports last year amounted to $232,000, of which $224,000 came from the United Kingdom.

Mr. REID: How much was manufactured in Canada?

Mr. SPENCER: Was there any tariff against Great Britain?

Mr. RHODES: The old rates were 15 per cent, 22½ per cent and 25 per cent. It is now made free, 22½ per cent and 25 per cent.

Mr. REID: Could the minister tell me how much is manufactured in Canada?

Mr. RHODES: Practically none.

Mr. YOUNG: Some days ago, when the Minister of Trade and Commerce, I think, was speaking on the agreement in general, he said that we had delivered over the whole Canadian linen industry to the British manufacturer. I wonder if he could give us the statistics of the industry, what they produce, what establishments we have, the number of employees and so on.

Mr. STEVENS: We shall be very glad to give the information as we proceed with the following items.

Mr. REID: I think this is one of those items which will be of more benefit to the importer of the linen thread than it will be to the industry, because it is well known that the Coats firm of Paisley, of which I know a little, practically controls the thread world. So the market is practically given over to the Coats people. The rate has been made free to Great Britain, but it is kept the same in the intermediate and general tariffs, which means that the Coats firm will have the entire consuming public of Canada to deal with. Heaven knows those people are rich enough without giving them any further advantages.

Mr. STEVENS: I must correct what I said a moment ago to the hon. member for Weyburn. There is virtually only one producer in Canada, and according to the practice of the bureau of statistics the production of anything less than three firms is not given out, so I am afraid I shall not be in a position to give the information requested.

Mr. YOUNG: Can the minister tell us the lines that are produced here?

Mr. STEVENS: Yes; crash, union, towels and towelling, table cloths, table napkins and things of that kind. Before we proceed with these items let me indicate the situation to the hon. member for New Westminster. We discussed this matter with the British delegation, and there had been quite a duty on this article, as one can see by reference to the previous schedule. There is no Canadian industry to benefit at all; there is only the one industry we have mentioned, making crash towelling, which we are not disturbing. With that exception all these linens, covering a very wide range and a very valuable list, now will come free from the British manufacturer. There is no danger in the world of any holding up of the Canadian producer for a high price, if that was in the mind of my hon. friend. I will say frankly, however, that we do expect that perhaps our American tourist friends coming over here will buy quantities of these linens, and we hope to build up a very handsome business in that way.

Mr. COOTE: I wonder if the minister could give us some idea of the revenue we have been deriving from these different items in the linen schedules, and what we may expect to lose.

Mr. RHODES: If we are going on to deal with items 540, 540a and so on, perhaps we might pass this thread item.

Item agreed to.

Customs tariff—540, 540a, 540b, 540c. From the four existing linen items marginally named it is proposed to draft a new linen schedule which will accord to the United Kingdom free entry on a very wide range of fabrics and articles, administration of the new legislation to be on the basis suggested by the following tentative proposals:

(a) woven fabrics, in the web, wholly of flax or hemp, not to include towelling and glass cloth of crash or huck, with or without lettering or monograms woven in, nor table cloths and napkins of crash with coloured borders.

(b) articles wholly of flax or hemp, such as sheets, pillow cases, table cloths and napkins, towels and handkerchiefs, but not to include towels or glass cloths of crash or huck, with or without lettering or monograms woven in, nor table cloths and napkins of crash with coloured borders: Proposed rates, free, 25 per cent, 27½ per cent; free, 30 per cent, 32½ per cent; free, 30 per cent and 3½ cents, 32½ per cent and 4 cents; free, 30 per cent and 3½ cents, 35 per cent and 4 cents.

Mr. RHODES: I am sorry to say I have not the figures before me, but I can give the imports under the four existing items last year. Under item 540 the imports amounted to $170,000, of which $154,000 came from the United Kingdom. Under item 504a the imports totalled $348,000, of which $321,000 came from the United Kingdom. Under item 540b the imports were $401,000, of which $368,000 came from the United Kingdom, and under item 540c imports totalled $978,000, of which $616,000 came from the United Kingdom and $350,000 from other countries.

Mr. COOTE: I was anxious to know whether the minister could tell us the revenue we are likely to lose by putting these different items on the free list.

Mr. RHODES: I am sorry to say I cannot give that information now, but I can get it approximately, later on.

Item agreed to.

Customs tariff—541a. Woven fabrics, wholly of jute, n.o.p.: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—551. Yarns, composed wholly or in part of wool or hair, but not containing silk or artificial silk, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 22½ per cent; and, per pound: British preferential tariff, 11¼ cents; intermediate tariff, 20 cents; general tariff, 22½ cents.

Item agreed to.

Customs tariff—551a. Yarns and warps composed wholly of hair, imported by manufacturers for use in their own factories: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent; and, per pound: British preferential tariff, ....; intermediate tariff, 15 cents; general tariff, 17½ cents.

Item agreed to.

Customs tariff—551a. Yarns and warps composed wholly or in part of wool or hair, imported by manufacturers for use exclusively in their own factories, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent; and, per pound: British preferential tariff, 7½ cents, intermediate tariff, 15 cents; general tariff, 17½ cents.

Item agreed to.

Customs tariff—552. Felt, pressed, of all kinds in the web, not consisting of or in combination with any woven, knitted or other fabric or material: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent; and, per pound: British preferential tariff, 7½ cents; intermediate tariff, 17½ cents; general tariff, 20 cents.

Item agreed to.

Customs tariff—553. Blankets of any material, not to include automobile rugs, steamer rugs or similar articles: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent; and, per pound: British preferential tariff, 10 cents; intermediate tariff, 25 cents; general tariff, 30 cents.

Mr. COOTE: What were the importations under this item?

Mr. RHODES: This item covers both woollen and cotton blankets. Of cotton blankets we imported last year $5,500 worth of which $3,500 came from the United States, and of woollen blankets $158,000 of which $150,000 came from the United Kingdom.

Mr. SPENCER: What were the tariffs under the old schedule?

Mr. RHODES: The old rates were: 22½ per cent; 30 per cent and 35 per cent ad valorem, and 20 cents, 25 cents and 30 cents. What we have done in this instance is to cut the specific duty in two in respect to the preference; instead of 20 cents it is 10 cents.

Mr. STEWART (Edmonton): This is one instance where there is very little imported.

[Mr. Rhodes.]

Mr. RHODES: I have just given the figures. The importation has not been large.

Mr. SPENCER: I think the British preference might have been cut out entirely. Blankets are used by the poorest families and if we can make goods free under other items this might have been included in that list.

Mr. RHODES: On the other hand, it must be remembered that the Canadian industry is working entirely with Canadian wool.

Mr. STEWART (Edmonton): Canadian wool?

Mr. RHODES: Yes.

Mr. COOTE: And not paying much for it.

Mr. STEWART (Edmonton): The minister's statement is surprising. Canadian wool was never as cheap as it is at the present time. The clip in western Canada is practically all in the hands of the producers because they cannot sell it at any price nor can they give it away. Here we are giving the whole market to the Canadian manufacturers. I shall have something to say on Canadian wool under another item.

Mr. COOTE: The thing to do would be to increase the purchasing power of the Canadian people so as to allow them to buy blankets, which in turn would enable the manufacturers to buy more wool from the farmers.

Mr. RHODES: We are all agreed on that.

Mr. BOUCHARD: I was very much struck, in reference to this matter, by certain figures I saw in the Monthly Bulletin of Agricultural Statistics for March, 1932. There a comparison is given of prices paid for wool. The prices were, for the years from 1922 on, as follows:

| | Cents per pound |
|---|---|
| 1922 | 17½ |
| 1923 | 20 |
| 1924 | 25 |
| 1925 | 25 |
| 1926 | 23 |
| 1927 | 22 |
| 1928 | 26 |
| 1929 | 22 |

Then it falls to 11 and 8 and now it is about 4 or 5 cents per pound. I am always struck by something which appears to me to be incongruous in the tariff I am not here to advocate a high tariff on wool or on anything else, but I must remind hon. gentlemen opposite that this government promised the

farmers to make tariffs fight for them; yet this is the most iniquitous tariff one could imagine. In the United States the tariff on wool is very high. I hope the minister will correct me if I am wrong, but I believe that the specific tariff was adopted in the United States for the purpose of carrying out the tariff which was given to the farmers on wool. In Canada our specific tariff is nearly as high as the specific tariff which was put into force in the United States to take care of the tariff imposed there on wool, but we have no tariff at all on wool. This is the most iniquitous provision that has ever been made in our tariff. No consideration whatever is given the farmer. One would expect that the woollen manufacturers of Canada would at least use Canadian wool. We produce about one quarter of the wool that is used in Canada. Now, when our tariff was increased to the extreme limit, skyhigh, with the specific duty and everything else afforded the manufacturer, no consideration whatever was given the farmer except talk. On July 14, 1931, I drew the attention of the Prime Minister to this very fact. Later on, during the course of last session, the Minister of Finance himself stood up and said that some consideration should be shown the wool growers. I have read many letters in this house from cooperative organizations like the Wool Growers' Association, which is a very influential body in this dominion, and the sheepbreeders in convention in Toronto have passed resolutions and forwarded letters to the Minister of Finance, the Minister of Agriculture and the Minister of Trade and Commerce, all with reference to this subject. The Prime Minister, in answer to my poor utterances, said, "Give us time." He gave us some hope, but we have been given hope so many times that now we should like to see something practical done. If the manufacturers had a little heart they would take at least one-quarter of their wool supplies from the wool producers in Canada. We produce about 20,000,000 pounds of wool, using round figures, and the consumption in Canada is about 80,000,000 pounds. In the Monthly Bulletin of Agricultural Statistics for March, 1932, I read the following:

> Wool prices were again below the previous year by at least 25 per cent. Although the woolen manufacturers are expanding their business in Canada, there has apparently been little, if any, increase in the use of Canadian wools by Canadian manufacturers. During the year 4,769,574 pounds were exported to Britain. The wools which are being exported are among Canada's best and very favourable comments are being received in regard to the quality of the product as represented in Canada's officially graded wools.

And quoting again from the same bulletin:

> The wool clip in 1931 was of good quality. The expansion of the use of purebred rams was reflected in a further refinement within the official grades. There was very little local buying of wool and prices for ungraded wools ranged from five to eight cents per pound.

And again:

> Canadian mills continue to use a limited volume of home-grown wool.

I do not want to press this matter too strongly at the moment, but when the question comes up again I hope to take part in the discussion. This government has pledged itself to do something for the farmer. Take fertilizer, for instance. We soon realize the advantages which are given to the manufacturer. The same thing applies to wool; the farmer receives no consideration from the government or from the manufacturer. He receives only four to five cents per pound for his product, while the manufacturer benefits by a specific and ad valorem duty. If I am not in error, I understand that in the United States a specific duty alone is considered all that is necessary in the way of a tariff on wool. It is considered that about two and a half to three pounds of virgin wool is required to make one pound of manufactured cloth, so that the tariff on wool is about one-third of the specific tariff on cloth. I wish the minister would give us some hope of possible relief to our farmers.

Mr. RHODES: My hon. friend will appreciate that it is not given to me to have the same freedom of utterance with respect to my views as it is to him. However, I commend the utterances of my hon. friend. I have great sympathy with the views he has expressed, but he will appreciate that this is not a matter which should be dealt with at this time; it is a matter for tariff revision at the time of the regular budget. I can assure my hon. friend that the point he raises is under advisement and I hope I shall be able to discuss it with him sympathetically when the proper time comes.

Mr. YOUNG: This is one of the items upon which we have been able to figure out what the rate will be. The actual rate on goods under this item coming from Great Britain will be 53.6 per cent. A moment ago the minister told us that the Canadian factories were working almost entirely with Canadian wool, but I have before me the report of the woollen and textile industry in Canada for the year 1931, published by the bureau of statistics, which gives the following figures:

Domestic wool used, 2,479,000 pounds valued at $551,000.
Foreign wool used, 3,806,000 pounds valued at $1,429,000.

That does not look as though our woollen manufacturers were confining themselves entirely to Canadian wool. The consumption of foreign wool is fifty per cent higher than that of domestic wool, while the value was nearly three times as much. Last year the Canadian woollen manufacturers put on an exhibition in the Chateau Laurier. They had some very fine woollen cloths displayed and the men in charge understood their business. They explained to us that they could not use Canadian wool in the manufacture of these fabrics; that they had to use foreign wool. What good is this tariff doing the Canadian wool grower? I have a neighbour who produced 3,000 pounds of wool last year. When he had paid for the clipping and the freight to Regina he did not have enough left to buy himself a suit of underwear. With a duty of 53.6 per cent against wool coming from foreign countries, is there any chance of the consumption of wool increasing in Canada? The Canadian farmer will receive no benefit because, as the hon. member for West Edmonton has said, he cannot sell his wool. I want to know who is to benefit under these high duties.

Mr. STEWART (Edmonton): The manufacturer, of course.

Mr. YOUNG: How many men are employed and what wages do they receive?

Mr. SPENCER: A few moments ago I asked the Minister of Finance, who is not now present, if he would not consider letting these goods come in free from Great Britain. He told me that the manufacturers were using Canadian wool entirely.

Mr. STEVENS: No. In regard to blankets a large proportion of Canadian wool is used.

Mr. SPENCER: I was going to ask the minister if in view of the figures given by hon. members he would still hold to his statement that Canadian wool was being used entirely.

Mr. STEVENS: I looked into this matter myself three or four months ago. I was in touch with two or three manufacturers of blankets, and one man told me that he was using one hundred per cent Canadian wool, while one or two others stated they were using a large percentage.

Mr. STEWART (Edmonton): In the manufacture of a small range of products.

[Mr. Young.]

Mr. STEVENS: Quite so. I think it should be recognized that Canadian blanket manufacturing is really one of the most efficient industries in the country. A marvellously fine article is turned out, I think at a reasonable price.

Mr. STEWART (Edmonton): We will agree with what the minister says in that regard, but it is only in the manufacture of very rough fabrics that one hundred per cent Canadian wool is used. The finer blankets are made from Australian wool.

Mr. STEVENS: I think that is true.

Mr. STEWART (Edmonton): That is our complaint. Why do they need a tariff of 53 per cent on a raw product when they use the smallest possible amount of the home grown raw material?

Item agreed to.

Customs tariff—554. Woven fabrics, composed wholly or in chief part by weight, of yarns of wool or hair, not exceeding in weight six ounces to the square yard, n.o.p., when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada: British preferential tariff, 20 per cent and 9¼ cents per pound; intermediate tariff, 25 per cent and 17½ cents per pound; general tariff, 30 per cent and 20 cents per pound.

Item agreed to.

Customs tariff—554a. Woven fabrics, consisting of cotton warps with wefts of lustre wool, mohair or alpaca, generally known as lustres or Italian linings, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. STEWART (Edmonton): What are the imports?

Mr. RHODES: The imports last year were $7,780,000, of which $5,830,000 came from the United Kingdom, $189,000 from the United States, $95,000 from France, $61,000 from Italy and $48,000 from Germany.

Item agreed to.

Customs tariff—554b. Woven fabrics, composed wholly or in part of yarns of wool or hair, n.o.p.: British preferential tariff, 27½ per cent and 18¾ cents per pound; intermediate tariff, 35 per cent and 30 cents per pound; general tariff 40 per cent and 35 cents per pound.

Item agreed to.

Customs tariff—554b. Woven fabrics, composed wholly or in part of yarns of wool or hair, weighing not less than 18 ounces per square yard: British preferential tariff, 25 per cent and 20 cents per pound; intermediate tariff 35 per cent and 30 cents per pound; general tariff 40 per cent and 35 cents per pound.

Mr. MACKENZIE (Vancouver): What is the difference with regard to content between this item and the preceding one?

Mr. RHODES: The first is the very heavy cloth.

Item agreed to.

Customs tariff—554b. Woven fabrics, composed wholly or in part of yarns of wool or hair, commonly known as billiard cloth: British preferential tariff, free; intermediate tariff, 35 per cent and 30 cents per pound; general tariff, 40 per cent and 35 cents per pound.

Mr. COOTE: We are not sure what item we are discussing, Mr. Chairman.

The CHAIRMAN: This is item ex 554b at the top of page 21 of the bill. There are two items numbered ex 554b. It is the second one we are now discussing.

Mr. STEWART (Edmonton): What is the importation?

Mr. RHODES: This is an entirely new item and the importations have not been segregated.

Mr. MACKENZIE (Vancouver): Do we make billiard cloth in Canada at all?

Mr. RHODES: No.

Mr. MACKENZIE (Vancouver): Is this going to make it more expensive to get billiard cloth?

Mr. RHODES: No, we are making it free.

Mr. STEWART (Edmonton): There is a vast difference between this item and the other one so far as the British preference is concerned. The imports would be small in any case, and I suppose they could not get any reduction in the other item.

Mr. STEVENS: Thankful for small mercies.

Item agreed to.

Customs tariff—555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 30 per cent and 18¾ cents per pound; intermediate tariff, 40 per cent and 32½ cents per pound; general tariff, 40 per cent and 35 cents per pound.

Mr. COOTE: What are the importations under this item?

Mr. RHODES: The importations last year were $1,091,000, of which $714,000 came from the United Kingdom, $268,000 from the United States, $51,000 from France and $25,000 from Czechoslovakia.

Mr. COOTE: I have not asked the minister to work out any of these specific tariffs on a percentage basis but I think that the tariff charged against Great Britain under this item is so high as to be absolutely indefensible. In this item, comprising clothing, wearing apparel and articles made from woven fabrics, the duty under the British preference is 30 per cent and 18¾ cents per pound. This is an item of very great importance to the public, and it is very much to be deplored that such extremely high tariff rates are maintained on this item, while billiard cloth and women's dress gloves of kid, elbow length, come in free. This clothing, which is worn by a great body of our people, is taxed thirty per cent plus 18¾ cents per pound. I have no idea what the specific rate would work out as expressed in percentages, but I would appreciate it if the minister would let the committee know what it is.

Mr. RHODES: If my hon. friend has any particular commodity in mind I will endeavour to have the computation made. This item is very wide in its range, covering a thousand different articles.

Mr. COOTE: I suggest that the computation be made on a man's winter overcoat.

Mr. RHODES: I will have the computation made and endeavour to give it to the committee at the next sitting.

Mr. STEWART (Edmonton): My hon. friend from Macleod will find that the duty works out at about 91 per cent, and taking the schedule as a whole he will find that the duties work out at something over 60 per cent. It is a beautiful example of tariff-fixing gone mad. I do not know any country in christendom that requires overcoats more than we do in Canada. There is a slight reduction from the heights to which hon. gentlemen opposite put this tariff previously, but if anyone can tell me that there is any possibility of the Canadian manufacturer being disturbed by the tariff granted here I should like to know it. The government is going to ridiculous extremes in the tariff on textiles in a country like this which needs both cotton and wool fabrics for every member of our population, and these duties are to give the Canadian manufacturer the market in Canada. I happen to know that two of the principal manufacturers in Canada would have been quite well satisfied with a very moderate tariff, for they so informed us when we were in office. They did not get what they asked from us, and now they are getting three times as much from the present gov-

ernment. They are using very little Canadian wool. They are buying the imported material and in a protected market such as they now enjoy in this country they are in a position to soak the Canadian consumer to the limit. That the Canadian manufacturer is taking full advantage of the tariff is proved by the fact that we still have a small amount of imports of this article. Otherwise there would be no imports. No more glaring example could be found of the extraordinary lengths to which the government have gone in soaking the Canadian consumer of wearing apparel, something that we need and must have in Canada, and which the government know we must have. And then they tell us that this is done in order to preserve the industry! Why, Mr. Chairman, if you counted every man who is engaged in this industry in Canada today you would not get a total more than 40,000, and I venture to say that in a generous estimate. We have 700,000 people out of work, and the government is asking them to pay this exorbitant price for wearing apparel which they must have in a climate like ours. It is tariff-making gone mad. The excuse which the government give that woollen mills in this country have been revived by the tariff does not hold water. We cannot get a reasonable price for our wool; for these mills are not using Canadian wood. Wool is in just the same predicament as butter and eggs, which this government undertook to increase in price to the producer. In every instance the Canadian consumer is the loser. In connection with secondary industries we find that tariffs are clamped on which force him to pay exorbitant prices for the goods he must use. With the single exception of the small woollen manufacturer I would say that the textile industry was getting along pretty well on the protection they enjoyed during the ten years the previous government held office. They were making splendid progress and did not need this extra assistance. No one can convince me there is any necessity for the exorbitant tariffs on textiles provided by this government.

I hope the government will appoint a tariff board; I hope the textile industries will be investigated before that board, and that it will have some conception of what is reasonable, just and fair as between producer and consumer. Of all the increases hon. members opposite have made this is the worst. The government has not given the British manufacturer the slightest chance to get into the Canadian market; he is being offered no greater advantage than he possessed under the tariffs of 1930 and 1931. The small reductions on cotton textiles, as they appear in the schedule, mean very little, and will be of no benefit to the British manufacturer. I say here and now that Great Britain has been one of the best customers for Canadian natural products. Here is one set of items in the schedule from which Great Britain could have received some benefit; we would have been giving something back, but hon. gentlemen have chosen to ignore any such arrangement. The marvel to me is that the British delegation treated us so generously at the recent conference. I cannot understand it. In connection with articles which they can manufacture, and with which they can enter into competition on the world market, they are not given a chance to compete in the Canadian market. In commodities the trade in which amounts to little or nothing, and on certain raw products, some chance is given to Great Britain, but very little. I am interested in the consumers of Canada, those men and women who will have to pay and pay dearly as they have done on every occasion that a policy of extreme protection has been put into effect. Particularly is that true in connection with articles of clothing.

Mr. RHODES: The hon. member seems to overlook entirely the fact we are passing through a period the like of which has never been known before in the history of the world.

Mr. STEWART (Edmonton): I know all about it; I am living on a farm.

Mr. RHODES: Quite so; and he overlooks entirely the statement which has been made so frequently by hon. members on this side of the house, to the effect that we are treating emergent conditions by emergent methods.

Mr. YOUNG: At whose expense?

Mr. RHODES: We are not suggesting for one moment that the tariff as it now stands in respect to textiles or other articles is there for all time. The tariff changes are being made to meet a specific condition obtaining in Canada.

Mr. MACKENZIE (Vancouver): We will change it next year.

Mr. RHODES: Nobody will be more delighted than myself when the time arrives that we may deal with normal conditions in a normal way. It must be borne in mind that the textile industry in Canada is extensive. It spreads from coast to coast, and affords the very backbone of the livelihood of many Canadian communities. Despite the condition about which the hon. member for West Edmonton complains, the fact is that in the history of Canada clothing has never been as

cheap as it is today. He must not overlook that fact, and he is not doing justice to the situation when he compares tariff legislation under existing conditions with legislation designed to meet ordinary conditions of normal times.

Mr. COOTE: How far back is the minister going in his statement that clothing never has been as cheap in Canada as it is today?

Mr. RHODES: Well, so far as I can ascertain it has not been as cheap in the last half century.

Some hon. MEMBERS: Oh, oh.

Mr. YOUNG: You are misinformed.

Mr. MALONEY: Before the minister addressed the committee I had intended to express my surprise that the hon. member for West Edmonton, with his long and honourable public career and wide experience in public matters, could deliberately stand in committee and make such statements concerning conditions in the textile plants of this country. He knows as well as we do that today clothing is selling for less than half what it sold for two years ago.

Mr. YOUNG: No, it is not. We do not know that at all.

Mr. MALONEY: He knows well that a little over two years ago the textile industry of Canada was on its back. The plants which were locked up tightly two years ago are now running wide open and giving employment to hundreds and hundreds of men throughout Canada. The argument of the hon. member is not one we might expect from a man of his experience.

Mr. MACKENZIE (Vancouver): I believe the hon. member for Battle River asked a question concerning overcoating. Turning to the figures I find that in 1931 the total imports of overcoating were valued at $803,000, and that in 1932 they had decreased to $276,000.

Mr. SPOTTON: Is this a new minister?

Mr. MACKENZIE (Vancouver): From the United Kingdom the imports in 1931 were valued at $538,000 and in 1932 at $196,000. The idea behind this tariff is the entire prohibition of imports. The hon. member who has just taken his seat has stated that the present prices in Canada are low. I direct his attention to the fact that that condition is not peculiar to Canada but obtains throughout the world, and applies to all commodities. Under the guise of a British preference, and with an imperial agreement before us, we are locking the door more securely than ever against Great Britain in connection with textiles. We are locking the door against imports from Great Britain; the Minister of Finance and Minister of Trade and Commerce know it. Nothing in this agreement has caused so much vexation and irritation in the old country as the fact that we have refused to give them a decent chance to sell their textiles. I agree with my hon. friend when he states that we should do anything we can to provide labour and promote industry in Canada. But the price is too high. For the last two years, for reasons not difficult to analyze, this government has shown special favouritism to the textile industry of Canada. If hon. members wish I shall analyze that favouritism.

Mr. MORAND: Go ahead.

Mr. MACKENZIE (Vancouver): The Dominion Textile Company have received more favours from this government in the last two years than any other single industry in Canada.

Mr. MALONEY: Has it cost you anything?

Mr. MACKENZIE (Vancouver): Yes, and every consumer in the Dominion of Canada. I will tell my hon. friend that the tariff schedule as applied to the textile industry in Canada is not justified by any law of economics, fair play or common sense, and the consumer of Canada is paying for it. If you look at your importations of textiles from the old country during the last three or four years you will see that the door has been gradually closed on textiles from the old country, building up a monopoly in Canada. When you create a monopoly for an industry in Canada you are imposing a burden on the consumer. I want to tell my hon. friends that the big problem today in Canada, far bigger than any item in this agreement, is that of trying to look after the hundreds of thousands—800,000 we were told by the Minister of Labour (Mr. Gordon) the other day —who are under or in need of relief; yet the poor man who wants to buy an overcoat or any textile fabric is penalized by these tariffs. Why is this in the imperial conference agreement? Is it to promote imperial trade? Will any hon. member on the other side will dare to say that this is promoting British trade? Look at the figures for the last three or four years, and you will see, whether you will approve, as do hon. members on that side of the house, or disapprove, as we do, that year by year you are closing the door against the importation of British textile fabrics into Canada. Under the guise of promoting British

trade, promoting imperial preference, we have here some twenty items, in respect to every one of which the monopoly of Dominion Textiles is being buttressed very visibly and very emphatically. It should not be in this agreement at all. If my hon. friends want to carry out any promises or bargains they made in 1930, they should do it in the budget to be presented to this house next February or March. This is not promoting British trade; it is monopoly, it is high protection for Dominion Textiles at the expense of the consumers throughout Canada.

Mr. RHODES: Just for the purpose of accuracy—my hon. friend from Vancouver has quite inadvertently slipped into error—this item has no bearing upon or reference to or association with Dominion Textiles in any way, shape or form. This is a woollen item, and they manufacture only cottons.

Mr. MACKENZIE (Vancouver): I was discussing the entire textile fabrics, because I was not in the house—

Mr. RHODES: Quite so; I only want to make it clear that this item has no reference whatever to Dominion Textiles, nor has it anything to do with monopoly. It has to do with some 74 different industries scattered throughout this country which today are keeping alive many communities; and I may add that but for the tariff action taken by this administration many thousands more would be added to the ranks of the unemployed and would be on relief in Canada at this time. I say that just as a matter of simple justice to my hon. friend.

One thing more; my hon. friend is very strong in his assertion that by this tariff provision we are excluding the British from an opportunity to enter this market. May I say to him that surely the British ought to be the best judges of that circumstance, and they have signed the agreement.

Mr. MACKENZIE (Vancouver): They were not satisfied.

Mr. RHODES: That may be so, but the British are pretty shrewd traders. I do not know that my hon. friend has said so, but many of those who surround him have been at pains to indicate that we have been "taken into camp" by them, the only comment in that regard is that he should be perfectly satisfied if those who are directly concerned, through their representatives on the British delegation, were satisfied.

Mr. MACKENZIE (Vancouver): In regard to the statement that the tariff policy of this government has given employment to several thousand—or hundreds of thousands, did the minister say?

Mr. RHODES: I said thousands.

Mr. MACKENZIE (Vancouver): I allege without the slightest fear of successful contradiction that the tariff policy of this government has driven out of employment thousands upon thousands of people throughout Canada.

An hon. MEMBER: Tell us how.

Mr. HEAPS: Could the minister inform the committee as to the total amount of production in Canada that this item covers?

Mr. RHODES: I will not attempt to give all the items covered. It would take pages—

Mr. HEAPS: This one item.

Mr. RHODES: —but I will give some, I will give round figures:

| | |
|---|---|
| Clothing, men's | $ 340,000 |
| Clothing, women's | 83,000 |
| Other clothing | 398,000 |
| Boys overcoats and reefers | 1,391,000 |
| Men's topcoats and overcoats | 8,439,000 |
| Women's coats and cloaks | 17,000,000 |
| Blazers | 136,000 |
| Mackinaws | 526,000 |
| Washable coats | 140,000 |
| Coats, waterproof and rain | 618,000 |
| Windbreakers | 297,000 |
| Coats, not specified | 139,000 |
| Dresses | 26,901,000 |
| Dressing gowns, negligees, bathrobes, etc | 1,799,000 |
| Gaiters, spats and leggings | 237,000 |
| Jerseys | 183,000 |
| Uniforms, military and athletic | 236,000 |
| Suits and pants for boys | 3,620,000 |
| Men's suits | 22,428,000 |
| Women's suits | 3,000,000 |

Mr. HEAPS: Could the minister in the same rough way give the importations under the same headings?

Mr. RHODES: I gave that previously—$1,091,000.

Mr. YOUNG: I have been trying to do a little figuring from the report of the bureau in regard to the woollen industry. I find that it employs 8,208 persons; that it pays in salaries and wages $7,425,000. The total value of the product last year was $25,500,000. The imports last year were $20,000,000 as against $39,000,000 the year before. If we add to the imports the value of the product last year we get $45,500,000 as the total woollen goods consumed in Canada. Taking the year before, our production was $27,000,000 and im-

ports $39,000,000, a total of $66,000,000 worth consumed in Canada. So that the net result of the policy of the government has been to decrease the consumption of woollen goods in Canada by about one third, making them so dear that in a country with a climate like this the people cannot use them—all to give employment to 8,000 people who draw $7,500,000 in wages, although with an average duty of 60 per cent and a total production and importation of $45,000,000, the industry is costing us approximately $27,000,000.

Item agreed to.

Customs tariff—568a. Socks and stockings of all kinds: British preferential tariff, 30 per cent and 75 cents per each dozen pairs; intermediate tariff, 32½ per cent and $1.35 per each dozen pairs; general tariff, 35 per cent and $1.50 per each dozen pairs.

Mr. YOUNG: What is the applied rate on this?

Mr. MACKENZIE (Vancouver): I wonder if the minister could tell us how much the importation has decreased in the last two years, if at all.

Mr. RHODES: We are exporting a lot now.

Mr. MACKENZIE (Vancouver): Yes, I know—but the importations from Great Britain.

Mr. RHODES: I have only the figures for last year. We imported goods last year to the value of $856,000, and our exports totalled $766,000.

Mr. MACKENZIE (Vancouver): The tendency has been to cut down on the importation of socks and stockings under this item?

Mr. RHODES: We imported $17,000 worth of cotton socks from the United Kingdom, $8,000 of silk, $14,000 of artificial silk and $736,000 of wool.

Mr. MACKENZIE (Vancouver): Could the minister say how that compares with the preceding year, in a general way?

Mr. RHODES: No doubt there would be a reduction because of the lower unit cost. The year before our importations totalled $1,823,000.

Mr. STEWART (Edmonton): What were our exports, and to what countries did they go?

Mr. RHODES: We exported $285,000 worth to New Zealand, $266,000 worth to South Africa and $88,000 worth to the United Kingdom.

Mr. STEWART (Edmonton): Do we enter free now?

Mr. RHODES: Yes, I think so.

Mr. STEWART (Edmonton): Then I want to congratulate the minister on that deal, which should be a pretty good one for Canada with the duty we have against importations. I honestly wish to congratulate the government on a very splendid deal of this kind. The amazing thing is how they put it over. I have much more admiration for the government now than I ever had.

Mr. YOUNG: I should like to say just one word in regard to socks and stockings. I discussed this matter with a woollen importer, who told me he was going out of the business of importing woollen socks because he could not handle them with the duties now imposed against them. I asked what difference these duties would make to the price. He said the duties would not make any difference to the price, but that they had made a tremendous difference in the quality. So now we must wear inferior socks because of these duties.

Item agreed to.

Customs tariff—568b. Women's dress gloves of kid, elbow length: British preferential tariff, free; intermediate tariff, 35 per cent; general tariff, 45 per cent.

Mr. MACKENZIE (Vancouver): May I ask the minister who made representations to the government in regard to this item?

Mr. RHODES: I have observed some criticism of this item on the ground that it is a luxury and therefore should have been taxed. The feeling we had, however, was that it was a commodity which could be imported in large quantities and sold to the tourist trade with very marked advantage, and that what we might lose in customs imposts would be more than made up in the indirect way. For that reason we felt that this was a concession which we could make to the glove trade of the United Kingdom, because this commodity is not made in Canada.

Mr. MACKENZIE (Vancouver): They are all imported from the United Kingdom?

Mr. RHODES: Yes.

Mr. RALSTON: My information is that they are not made in the United Kingdom at all.

Mr. RHODES: Yes; according to our information this is a big item.

Mr. RALSTON: Will the minister tell me the imports from the United Kingdom?

Mr. RHODES: This is an entirely new item, so I am sorry I cannot give my hon. friend that information. The imports have not been segregated.

Mr. RALSTON: I do not want to delay the item, but I thought I had very good information indeed to the effect that all these gloves were made in France or on the continent and that no such gloves were made in England.

Mr. RHODES: I can assure my hon. friend that this was checked up with the British delegates, and we are satisfied beyond question that they are manufactured in quantities in Great Britain.

Item agreed to.

Customs tariff—572. Turkish or imitation Turkish or other floor rugs or carpets, and carpets n.o.p.: British preferential tariff, 30 per cent and 5 cents per square foot; intermediate tariff, 35 per cent and 15 cents per square foot; general tariff, 40 per cent and 20 cents per square foot.

Mr. YOUNG: Could the minister tell us what percentage of empire content there will be in a Turkish rug?

Mr. RHODES: This is not a rewritten item, Mr. Chairman; this is the old item with the rates changed. I do not say that the words I am about to speak are absolutely authoritative, but I believe I am correct when I say that the words "Turkish" or "imitation Turkish" do not imply that of necessity the rug comes from Turkey.

Mr. YOUNG: They will be oriental rugs.

Mr. RHODES: Yes, or they may be of oriental design, manufactured in Great Britain. On that point my hon. friend will recall that we have the safeguard of the empire content provision, which I think would ensure that these were British rather than foreign goods.

Mr. YOUNG: Surely the minister does not mean that if we go down and buy a Turkish rug it might be only of Turkish design?

Mr. RHODES: I will say this, that if we buy an imitation Turkish rug certainly that is not a Turkish rug, which, so far as I can ascertain, may be a trade name. It does not necessarily mean that the rug comes from Turkey, but whether or not that be so, the empire content provision would preclude a Turkish rug coming from Turkey taking advantage of the British preference.

Item agreed to.

[Mr. Rhodes.]

Customs tariff—586. Coal, anthracite, n.o.p., per ton: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 50 cents.

Mr. RALSTON: I should like to make just one observation on the question of coal; it has no reference to the duty, but it has regard to the coal production and the coal business particularly in the eastern provinces. I want to urge upon the government and particularly upon my friend the Minister of Finance, in the strongest possible way, some revision whereby advantage may be taken in a larger way by the Canadian National Railways of the subvention in order to induce the company to use more eastern coal. My hon. friend will remember that last year a change was made in the subvention, but it was made applicable only to the additional tonnage which the Canadian National might use. As a matter of fact I understand that this year the Canadian National has used less coal than previously, and therefore the benefit of that subvention has not been felt. I know that this is about the time the government will be revising or considering the renewal of these subventions, and I want to urge as strongly as I can that they be so adjusted that the Canadian National Railways may be induced to use more eastern coal.

Mr. RHODES: I am sure my hon. friend would not expect me to enter into a lengthy discussion of the coal subventions in connection with an item concerning coal which appears in these trade agreements. I can assure him, however, that I am equally anxious that everything possible should be done to assist the coal industry both in the east and in the west. When we are discussing this matter at a later stage in the session I shall be very glad indeed to go into the matter with my hon. friend more fully. In the meantime I can assure him that anything in addition we can do or think should be done for the industry will not be lost sight of.

Mr. MACKENZIE (Vancouver): Has the minister before him the figures in regard to the importation of British or Welsh anthracite in the last two years, and does he consider that the additional tariff protection of 10 cents will be of material advantage in connection with the importation of Welsh anthracite into Canada?

Mr. RHODES: The importations of United Kingdom coal this year already are over one million tons. I have the figures beginning with April and running up to the end of September and they indicate that we have imported in this current year during a period of six months 945,217 tons.

Mr. MACKENZIE (Vancouver): Is it increasing month by month?

Mr. RHODES: Yes. Last year our imports of British anthracite represented 23 per cent of the total anthracite importations, whereas for the six months' period I quoted that percentage had gone up to 55 per cent, indicating a marked increase.

Mr. STEWART (Edmonton): There must be some mistake about the 23 per cent. Needless to say, I am delighted to know that there is an ever-growing importation of British anthracite. We did run up to about 800,000 tons, but we import only 3,000,000 tons all told now.

Mr. RHODES: Twenty-three per cent of our importations for 1931-32 came from the United Kingdom. These are official figures.

Mr. STEWART (Edmonton): The importation last year was about 800,000 tons.

Mr. RHODES: More than that.

Item agreed to.

Customs tariff—ex 598. Brass band instruments, of a class or kind not made in Canada; bagpipes: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. MACKENZIE (Vancouver): I object to the way in which this item is drawn up. It provides for, "brass band instruments of a class or kind not made in Canada; bagpipes." With all deference to the minister, I suggest that bagpipes are worthy of an item by themselves. I think it is an insult to a great and glorious race and to a wonderful section of the Canadian community to have bagpipes classified as a secondary article. The hon. member for New Westminster and myself would like the Minister of Finance to have bagpipes inserted as a special item in the Canadian tariff.

Mr. REID: Naturally it is not to be expected that I rise to oppose this item; far be it from me to do so. Of course, it does not affect me personally because I have a set which probably will last me all my days.

Mr. STEWART (Edmonton): Do you want parts?

Mr. REID: One thing that pleases me particularly is the fact that it is now settled that bagpipes are a musical instrument. There are probably between fifty and sixty bands in Canada and there are well over a thousand pipers, and the number is increasing year by year, but in connection with this item there is great difficulty with the customs board so far as parts are concerned. The customs officers are inclined to view parts as separate, and they interpret bagpipes to mean the complete instrument. I would ask the minister in all seriousness to have this item amended. Parts are brought in and they are necessary for repairs, and as there are men in Canada who are building up an industry by importing parts for sale, I think the suggested change should be made. I have received protests from various sources with regard to this matter and I would ask that all parts used in connection with bagpipes be entered free as well as the bagpipes themselves.

Mr. WOODSWORTH: Since my office is on the sixth floor, I protest against any more bagpipes coming in.

Mr. REID: I naturally look for a protest from the hon. gentleman. No lover of good music would protest.

An hon. MEMBER: Who asked for this?

Mr. RHODES: It has been suggested to me that these are Reid instruments. I take it that my hon. friend from Vancouver Centre will not press so seriously his complaint that the item was not inserted by itself, in view of the fact that the hon. member for New Westminster is so delighted that at last the bagpipes has been acknowledged to be a musical instrument, and is therefore included with brass band instruments and other instruments that make music. I may tell him seriously, however, that I will take into careful consideration his suggestion with respect to parts and if it can be acceded to we can deal with the suggestion in ways and means.

Item agreed to.

Customs tariff—604. Belting leather in butts or bends; sole leather, and all leather further finished than tanned, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 27½ per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—604. Genuine pig leathers and genuine Morocco leathers; so-called roller-leathers: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—605. Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes; genuine reptile leathers: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—607a. Leather, not further finished than tanned, in whole hides, in grains or splits, when imported by manufacturers of upholstering leathers for use exclusively in the manufacture of upholstering leathers, in their own factories: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Provided, that the governor in council may, when satisfied that the leather specified in this item is being produced in Canada, in quantity and quality sufficient for Canadian requirements, by order in council direct that this tariff item be repealed.

Item agreed to.

Customs tariff—610. Belting of camel's hair, for machinery: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—617. India-rubber boots and shoes: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—625. Caps, hats, muffs, tippets, capes, coats and cloaks of fur and other manufactures of fur, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—663. Fertilizers, compounded or manufactured, n.o.p.: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. REID: Will the minister make a statement regarding the question I have raised in connection with this item?

Mr. RHODES: As soon as we get through the list we will refer to that.

Item agreed to.

Customs tariff—684. Rubber thread, not covered: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—711. Barytes: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—711. Charcoal, animal, for use in the refining of sugar: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—711. Mineral wool: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

[Mr. Rhodes.]

Customs tariff—711. A new item (not finally drafted) to provide that all chemicals and drugs which were dutiable at the date of the conference, under item 711 at: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent; shall be in future, when of a kind not produced in Canada, dutiable at: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MACKENZIE (Vancouver): Will the minister explain this?

Mr. RHODES: I think I could explain that better in committee of ways and means. The item is a new one and is all-embracing. It includes a very large list of every drug that is used in Canada, not manufactured here, and it is a very heavy item.

Item agreed to.

Customs tariff—728. Hyposulphite of soda, when imported by tanners for use in their own factories in the tanning of leather: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. MACKENZIE (Vancouver): This was free all across the board before the present tariff.

Mr. RHODES: This was one item which the British representatives laid special stress upon; it was included in their special list.

Item agreed to.

Customs tariff—783. Gasoline and steam engines, transmission assemblies and parts thereof, magnetos, starting motors, electric generators, propeller shafts, steel chassis frames, brakes, clutches, brake and clutch controls, steel road wheels, steel rims for pneumatic tires, larger than thirty inches by five inches, steering gears and front and rear axles, all of a class or kind not made in Canada when imported by manufacturers of motor trucks (not for railways or tramways) for carrying goods only, for use only in the manufacture of such motor trucks: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—785. Cocoanut oil, not edible, when imported for use in the manufacture of refined cocoanut oil: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Mr. RHODES: It will be recalled that considerable discussion took place previously with respect to the use of nitrate of soda as a fertilizer. I made the statement that this article could be imported free by agricultural interests provided it was mixed with some

other commodity, even with sand. I find that in actual practice the Department of National Revenue has never attempted to police or follow up the use of nitrate of soda when purchased by those in the agricultural industry, the simple statement that it was to be used for fertilizer having been accepted as sufficient. However, in order to make that quite clear I propose an amendment in the form of a new item 210e.

Mr. STEVENS: I move that the following be substituted as item 210e:

210e. Nitrate of soda or cubic nitre, when imported for use as a fertilizer, or when imported by manufacturers of explosives for use exclusively in their own factories in the manufacture of explosives: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. MACKENZIE (Vancouver): Will the hon. minister consider moving a similar amendment in connection with barbed wire and cream separators?

Amendment agreed to.

Schedule as amended agreed to.

On schedule F.

Mr. MACKENZIE (Vancouver): I think article 19 should be considered in connection with this schedule.

Mr. STEVENS: Perhaps the Chairman will be good enough to read article 19.

The CHAIRMAN: Article 19 reads:

His Majesty's government in Canada undertake to accord to those non-self-governing colonies, protectorates and the mandated territories to which the benefits of the British preferential rates are at present accorded and also to Zanzibar the preferences on the commodities and at the rates shown in schedule F and also any preferences for the time being accorded to the United Kingdom. Provided that His Majesty's government in Canada shall not be bound to continue to accord any preferences to any colony or protectorate which, not being precluded by international obligations from according preferences, either (i) accords to Canada no preferences or (ii) accords to some other part of the empire (in the case of Northern Rhodesia, excepting the Union of South Africa, Southern Rhodesia and the territories of the South African High Commission) preferences not accorded to Canada.

Mr. MACKENZIE (Vancouver): I should like to ask the minister one or two questions in connection with article 19. Which of the non-self-governing colonies do not accord preferences to Canada, and is the special preferential arrangement with Northern Rhodesia better than the general arrangement arrived at in this agreement?



Mr. STEVENS: Regarding that exception, "in the case of Northern Rhodesia, excepting the Union of South Africa," that appears all through the agreement. That is a local arrangement between the different colonies in the Union of South Africa.

Mr. STEWART (Edmonton): Is it under a treaty?

Mr. STEVENS: It is an agreement between themselves.

Mr. MACKENZIE (Vancouver): Are the preferences accorded under that arrangement more extensive than those under the agreement we are now considering?

Mr. STEVENS: I have not checked them, but I imagine possibly they are. It is something like the Canada-West Indies agreement.

Mr. RALSTON: Are any of these non-self-governing colonies precluded by international obligation from granting preferences?

Mr. STEVENS: There is an agreement affecting the British West African colonies, known as the Nigerian agreement. It is an old Anglo-French treaty which goes back many years. I believe the whole matter is under consideration at the present moment, but I do not think it is desirable to stir up anything. I do not think the business available warrants this action, nor do I think it would be desirable in any case.

Mr. RALSTON: The apparent binding effect of international obligations gives a point to the argument which has been repeatedly made from this side, that what we are doing here will preclude us from making arrangements with other countries.

The CHAIRMAN: The first item in schedule F reads:

Customs tariff—39a. Sago and tapioca flour: margin of preference over intermediate tariff, ½ cent per pound.

Mr. MACKENZIE (Vancouver): Has the minister the import figures for last year?

Mr. STEVENS: The imports last year in rice flour and cassava and rice meal were valued at $7,776, of which $4,186, came from the United Kingdom and $1,530 from the United States. The importations of sago and tapioca flour were valued at $22,313, of which $10,550 came from the United Kingdom, $9,300 from the United States and $431 from the Straits Settlements.

Mr. MACKENZIE (Vancouver): Has the minister the previous rates?

Mr. STEVENS: The previous rates were three-quarters of a cent, one cent and one cent. The rates now are three-quarters of a cent, one and a quarter, and one and a quarter cents.

Item agreed to.

Customs tariff—77. Vanilla beans: margin of preference over intermediate tariff, 10 per cent ad valorem.

Mr. MACKENZIE (Vancouver): May I have the same information with regard to this item?

Mr. STEVENS: The imports under the old item were $74,000, of which $1,000 came from the United Kingdom, $62,000 from the United States, and $8,000 from France. Vanilla beans are a British Empire product and are not produced in the United States at all, but it just happens that we have been buying them largely through the United States.

Item agreed to.

Customs tariff—87n. Tomatoes: margin of preference over intermediate tariff, 2 cents per pound throughout the year.

Item agreed to.

Customs tariff—143. Cigars: margin of preference over intermediate tariff, 50 cents a pound.

Item agreed to.

Customs tariff—ex 254. Gums, viz.: Arabic, copal, damar, gum chicle or sappato gum, crude: margin of preference over intermediate tariff, 10 per cent ad valorem.

Item agreed to.

Customs tariff—264. Essential oils, n.o.p., including bay oil, otto of limes and peppermint oil: margin of preference over intermediate tariff, 7½ per cent ad valorem.

Item agreed to.

Customs tariff—267b. as revised. Crude petroleum not in its natural state ·7250 specific gravity or heavier at 60 degrees temperature when imported by oil refiners to be refined in their own factories: margin of preference over intermediate tariff, one cent per gallon.

Mr. BOTHWELL: Is not this a combination of two items in the old tariff, 267b and 272b?

Mr. STEVENS: My hon. friend is just about right in that observation.

Mr. BOTHWELL: Would the minister state the reason for combining these two items?

Mr. STEVENS: There is a considerable production of this class of oil in Trinidad, and this item has been framed to give Trinidad a chance in the Canadian market.

[Mr. I. A. Mackenzie.]

Mr. BOTHWELL: What were the importations from the different countries under these two items?

Mr. STEVENS: It is impossible to segregate them because the figures we have cover the importations under a number of different items.

Mr. BOTHWELL: Surely the importations should be segregated, because they come in under different rates of duty. Under one item the product comes in free, and under the other item it comes in at three-tenths of a cent, four-tenths of a cent, and half a cent a gallon. We should have the figures under 267B.

Mr. STEVENS: I will do the best I can, but I cannot precisely meet my hon. friend's request. The imports under the existing item have not been heavy, having amounted in 1932 to $96,000, of which $53,000 came from Peru and $42,000 from the United States. The other item to which my hon. friend refers expired in July 1931.

Mr. STEWART (Edmonton): "Crude petroleum not in its natural state" seems a rather curious definition. It must be partly refined, I should think, because our duty on crude is very low, and the margin of preference granted here over the intermediate is one cent per gallon.

Mr. STEVENS: It is the same description as appears in the tariff so far as the words "crude petroleum not in its natural state" are concerned. Some describe it as skinned. It has been put through some slight process.

Mr. MACKENZIE (Vancouver): Does the minister think that one cent per gallon is enough protection to meet the competition from Soviet Russia?

Mr. STEVENS: This is what they asked for.

Mr. RALSTON: I notice that at the top of the column it says "margin of preference over intermediate tariff" and under item 267b in the present tariff this crude petroleum comes in under four-tenths of a cent intermediate. A margin of preference of one cent per gallon would mean a reduction below that, would it not?

Mr. STEVENS: This is simply meant to give a preference of one cent a gallon. If my hon. friend will look at the statutory provision in the votes and proceedings he will find there that the rate is a half a cent, and then a cent and a half.

Mr. RALSTON: Under 267B?

Mr. STEVENS: Yes. It carries out the understanding set forth in schedule F.

Mr. BOTHWELL: Is this particular item aimed at Russian and Roumanian oil which has been imported into this country?

Mr. STEVENS: It is not aimed at anything except to give Trinidad access to our market, and this is the manner in which they have asked that it should be done.

Item agreed to.

Customs tariff—277. Palm and palm kernel oil, unbleached or bleached, non-edible; shea butter: margin of preference over intermediate tariff, 10 per cent ad valorem.

Item agreed to.

Customs tariff—278. Oils, viz.: cocoanut, palm and palm kernel, not edible, for manufacturing soap; carbolic or heavy oil; olive oil for manufacturing soap or tobacco, or for canning fish: margin of preference over intermediate tariff, 10 per cent ad valorem.

Item agreed to.

Customs tariff—584. Asphalt or asphaltum, solid: margin of preference over intermediate tariff, 10 per cent ad valorem.

Mr. STEWART (Edmonton): What are the imports of asphalt? This is for Trinidad, of course?

Mr. STEVENS: The total imports last year were $480,000.

Mr. STEWART (Edmonton): There is no considerable quantity coming in from any other source but Trinidad?

Mr. STEVENS: A good deal of that is coming in through United States ports. Now it will come direct. That is really the object.

Item agreed to.

Customs tariff—616. Gutta percha: margin of preference over intermediate tariff, 10 per cent ad valorem.

Item agreed to.

Customs tariff—616a. Balata, crude, unmanufactured: margin of preference over intermediate tariff, 10 per cent ad valorem.

Item agreed to.

Customs tariff—785. Cocoanut oil, not edible, when imported for use in the manufacture of refined cocoanut oil: margin of preference over intermediate tariff, 10 per cent ad valorem.

Mr. STEWART (Edmonton): Does cocoanut oil come to Canada from other sources than the colonies? Is this merely a matter of revenue?

Mr. STEVENS: This is an item which was requested by the British particularly on behalf of the colonies. Formerly the rates were free across the board. Cocoanut oil is produced very largely in the different colonies, and it is a product in which they feel they can do a very large business.

Mr. MACKENZIE (Vancouver): Is there any competition in this article from extra-empire territories?

Mr. STEVENS: Yes, the United States imports a lot of oil from various places, part of which filters into Canada from United States points.

Mr. STEWART (Edmonton): Unless it be for revenue purposes, I cannot see why a duty was placed on it at all.

Mr. RHODES: As a matter of fact this item has been passed already in schedule E.

Mr. STEWART (Edmonton): I did not catch the significance of it when it was discussed in schedule E, but if it is going to come from empire countries—and I believe there is no hope of producing it in Canada—I cannot see why there should be a duty at all. This commodity is growing in use. Unless the minister desires revenue I can see no reason why it should not be free.

Mr. RHODES: It is free from the empire, but there is a ten per cent duty in the general and intermediate rates.

Item agreed to.

Article 19 agreed to.

Mr. STEVENS: Mr. Chairman, I believe item 106b of schedule E has yet to be passed. It appears below schedule F.

Customs tariff—106b. Fruits, prepared, pineapples: British preferential rate to be reduced to one cent per pound, subject to the agreement of His Majesty's government in the Commonwealth of Australia.

Mr. RALSTON: What is meant by the expression "subject to the agreement of His Majesty's government in the Commonwealth of Australia"? Is there some provision in the agreement in regard to pineapples?

Mr. STEVENS: Yes; the arrangements in connection with this item were not quite concluded at the close of the conference. The Australian representatives were to agree, or otherwise, to it. Since the close of the conference they have agreed, and we are now giving effect to it.

Mr. RALSTON: Do they get the British preferential rate?

Mr. STEVENS: Yes.

Item agreed to.

On article 9:

His Majesty's government in Canada will invite parliament to pass the legislation necessary to substitute for the duties of customs now leviable on the goods specified in schedule E the duties shown in that schedule, provided that nothing in this article shall preclude His Majesty's government in Canada from reducing the duties specified in the said schedule so long as the margin of British preference shown in that schedule is preserved or from increasing the rates under the intermediate or general tariff set out in the said schedule.

Mr. MACKENZIE (Vancouver): I understood the Minister of Finance to say he had two or three amendments to move.

Mr. RHODES: It is not necessary to move them until we reach committee of ways and means.

Article 9 agreed to.

On article 10:

His Majesty's government in Canada undertake that protection by tariffs shall be afforded against United Kingdom products only to those industries which are reasonably assured of sound opportunities for success.

Mr. MACKENZIE (Vancouver): I should like either the Minister of Finance or the Minister of Trade and Commerce to explain to the committee the significance of the following phrase:

Only to those industries which are reasonably assured of sound opportunities for success.

What will be the guiding maxim for determining the opportunities for success or prospects of success in each case?

Mr. STEVENS: This afternoon a discussion which took place on one of the items was very much along the same line. I read to the committee part of the Tariff Board Act indicating the principle upon which the tariff board would proceed. This is simply an assurance to the British government that in arriving at the tariffs to be imposed in this country protection shall not be put into effect beyond the point indicated herein, namely, that point where the industry has a reasonable opportunity of success. The language in the article is as clear as it could be made.

Article 10 agreed to.

On article 11:

His Majesty's government in Canada undertake that during the currency of this agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

[Mr. Stevens.]

Mr. MACKENZIE (Vancouver): In connection with article 11 I should like to have a declaration of policy from one of the ministers in regard to the significance of the following proviso:

. . . provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

And in regard to the preceding expression:

. . . full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production.

As was pointed out by the hon. member for Ontario and other hon. members at an earlier stage in the debate, this is an antiquated provision which has been in the United States tariff for years. I should like to refer to an analysis of this provision which appears in the Ottawa supplement of The Economist for Saturday, October 22, 1932. Article 11 is quoted, and then the following comment appears:

This statement of principle, which is, of course, by no means new, looks at first sight to be very fair and just. But, on further examination, it will be found to be not only misleading but vicious; for while it appears to be a limiting principle, it is not a limitation either in theory or in practice; for if carried out strictly it would put an end to all foreign trade. Clearly, if a duty is put on equal to this difference, there will be no benefit from foreign trade, which is only advantageous because you can buy abroad cheaper than you can produce at home, and vice versa as regards exports. Practice confirms this theoretical conclusion. The doctrine was embodied by congress in the American Tariff Acts many years ago as an instruction to the American Tariff Commission. One of the earliest members of that commission, charged with the duty of carrying out this policy, wrote a book on "Making the Tariff in the United States" in which he pointed out the practical difficulty of carrying out this doctrine. Here are some of his conclusions:—

"The application of the difference between costs as a measure of duties is usually impossible owing to the difficulty of finding what the difference amounts to. Even if cost data were reliable the fact would remain that there is in every country more than one cost at which any commodity is produced in commercial quantities. The difficulties in obtaining and verifying costs of production are infinitely greater in foreign countries than they are in the United States. The conclusion cannot be escaped that it is rarely possible to ascertain accurately the difference in cost of production at home and abroad. To use as the basis of a general tariff act a thing so fleeting, evasive, and shadowy would be neither right nor possible."

The result was precisely what might have been expected, for, under the operation of this famous clause, practically every change has been upward; the only exceptions being of such small importance as to be derisory. The principle

has for many years past been used as a justification for the highest tariffs in the world. When the French delegates attempted to introduce it at the World conference of 1927 as a basis for rationalizing tariffs, it was rejected out of hand.

In practice no country has ever been able to carry out this so-called "scientific principle" in tariff making, but has used its discretion as to the extent to which it will allow goods to come in subject to the penalty of a protective duty, and how far it will go towards excluding them altogether.

The CHAIRMAN: The hon. member is out of order.

Mr. MACKENZIE (Vancouver): From your point of view, Mr. Chairman, it may be out of order, but from our point of view these comments are relevant to the article under consideration.

Mr. YOUNG: It is instructive.

Mr. MACKENZIE (Vancouver): The article in The Economist is instructive; it is logical, it is rational, it is moderate in tone. It points out that this antiquated provision embodied in the tariff structure of the United States is condemned by those who are most familiar with its terms and provisions. The article which I have read goes on to say that it is entirely impossible as a matter of determination of the principle of a scientific tariff to operate as provided in this clause. I should like to ask either the Minister of Finance or the Minister of Trade and Commerce if they will be good enough in the first place to explain to the committee their conception of the significance of this provision, and in the second place to give their view as to the possibility of working it out in practice.

Mr. STEVENS: I think I can answer my hon. friend very clearly. I will give him an illustration that we have just dealt with in this schedule, namely, the linen industry. It was concluded that the linen industry, as regards all branches except the one we mentioned a short time ago, the production of crash towels and so on, was one which, while there were two or three factories struggling along, was not likely to become established in Canada. So we put linen on the free list and abandoned the attempt to establish that industry. There is an illustration of our interpretation of that very principle.

Mr. RALSTON: But my hon. friend is dealing with the other section. The section to which my hon. friend from Vancouver Centre has referred contains another principle altogether.

Mr. STEVENS: I am quite aware of what he referred to.

Mr. RALSTON: My hon. friend did not answer the question. The hon. member for Vancouver Centre was pointing out that it was difficult to find out what the cost of production was in other countries, and he was asking how the government proposed to ascertain what the relative cost of economical and efficient production was in England as compared with Canada.

Mr. STEVENS: I think the hon. member for Vancouver Centre and I understand each other quite well. My hon. friend asked me how I would explain the phrase:

> . . . provided that in the application of such principle special consideration shall be given to the case of industries not fully established.

Mr. MACKENZIE (Vancouver): That was the first point.

Mr. STEVENS: The answer is that we found no difficulty in deciding that a given industry which had been trying to establish itself here for some time had not succeeded in doing so, and in the schedules passed tonight we dealt with it by placing it on the free list. That is an illustration of how the government views the application of that principle. My hon. friend referred to economical and efficient production. I have already intimated that in the Tariff Board Act we have set forth the principles there applicable; before my hon. friend came in I had read the relevant provision from the act. Certain principles set forth for the guidance of the board covering labour conditions, cost of material, inquiry into the efficiency of management, and so on, and these will be the guiding principles by which we shall determine what is an economically and efficiently managed industry.

Mr. RALSTON: My hon. friend, I am afraid, has just reversed the real situation as it appears in this section. The proviso at the end of the section is that even though the cost of economical and efficient production is greater in Canada than in England, the government reserves to itself the right to continue the protection given to the industries concerned. My hon. friend gives the example of an industry not fully established, and

points out that in such a case the duty was taken off. We are more interested in the industries to which special consideration is being given because of the fact that they are not fully established. How does my hon. friend propose to find out whether an industry qualifies under this proviso?

Mr. STEVENS: I have already intimated that the test will be applied by the tariff board under the principles clearly set forth in the Tariff Board Act.

Item agreed to.

Progress reported.

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

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## Monday, November 21, 1932

The house met at three o'clock.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

ST-TITE-DES-CAPS, QUE., DEMONSTRATION FARM

Mr. CASGRAIN:

1. Has the demonstration farm at St-Tite-des-Caps in the county of Montmorency, been removed since 1930 from the property of one Renaud who was in charge of the same?

2. If so, why?

3. Were any complaints made against the said Renaud?

4. If so, what was the nature of the said complaints?

5. By whom were they made?

6. Who has been placed in charge of said demonstration farm?

Mr. MURPHY (For Mr. Weir, Melfort):

1. The Illustration Station at St-Tite-des-Caps was closed on June 30, 1931.

2. The operator left his farm to become foreman on Seminary Farm at St. Joachim.

3. No complaints.

4 and 5. Answered by No. 3.

6. Mr. Renaud has not been replaced.

MONTREAL HARBOUR BRIDGE, TOLLS

Mr. WOODSWORTH:

1. Have any representations been made, directly or indirectly, to the government by the south shore residents to decrease the tolls on the new Montreal harbour bridge?

2. What was the last annual deficit on the bridge in question after all operating charges were paid, and provision was made for interest and maintenance charges?

3. Is the Dominion government extending financial aid to the proposed Caughnawaga bridge, which would be situated eight miles west of the new Montreal harbour bridge?

Sir GEORGE PERLEY:

Insofar as the Department of Marine is concerned:—

1. Yes.

Note.—The Harbour Commissioners of Montreal have received representations from representatives of south shore municipalities and from the Montreal Tramways Company for reduced fares on the Montreal harbour bridge.

2. The following information has been furnished by the Harbour Commissioners of Montreal:

| | |
|---|---|
| Total deficit.. .. .. .. .. | $ 721,604 03 |
| Less contribution toward deficit by province of Quebec and city of Montreal.. .. .. .. .. .. .. | 300,000 00 |
| Net deficit.. .. .. .. .. | $ 421,604 03 |

3. No information.

ORIENTALS ADMITTED TO CANADA

Mr. MacINNIS:

1. How many Japanese were admitted to Canada each month, from June 1, 1931, to November 1, 1932, in the following classes: (a) adult males; (b) adult females; (c) children?

2. How many Chinese were admitted to Canada each month, from June 1, 1931, to November 1, 1932, in the following classes: (a) adult males; (b) adult females; (c) children?

3. In the same period, how many Japanese departed from Canada: (a) with the intention of returning, and (b) without intending to return?

4. In the same period, how many Chinese departed from Canada: (a) with the intention of returning, and (b) without intending to return?

Mr. GORDON:

| 1. | Males | Females | Children | Total |
|---|---|---|---|---|
| June, 1931 | 1 | 11 | 3 | 15 |
| July | 3 | 10 | 5 | 18 |
| August | 1 | 7 | 1 | 9 |
| September | 2 | 7 | 2 | 11 |
| October | 5 | 5 | – | 10 |
| November | 4 | 3 | 3 | 10 |
| December | 5 | 9 | 4 | 18 |
| January, 1932 | 4 | 5 | 1 | 10 |
| February | 10 | 6 | 3 | 19 |
| March | 7 | 11 | 6 | 24 |
| April | – | 5 | – | 5 |
| May | – | 3 | – | 3 |
| June | 2 | 5 | 1 | 8 |
| July | 1 | 2 | 6 | 9 |
| August | 4 | 4 | 1 | 9 |
| September | 1 | 3 | 1 | 5 |
| October | – | 3 | 1 | 4 |
| | 50 | 99 | 38 | 187 |

2. One male in October, 1932.

3. (a) 1,126; (b) no information.

4. (a) 6,024; (b) 375.

CONVICTION OF ARMAND ROY

Mr. GIROUARD:

1. Was one, Armand Roy of Drummondville, prosecuted for an infraction of the Excise Act?

2. If so, was he convicted and sentenced?

3. What was the sentence?

4. Was the sentence appealed? If not, why?

Mr. RYCKMAN:

1. Yes.

2. Yes.

3. One month in jail together with a fine of $200 and costs, and in default of payment six additional months in jail.

4. No, the sentence imposed was in accordance with the requirements of the act and amendments.

CAMBRIDGE AND HAVELOCK, N.B., AERODROMES

Mr. VENIOT:

1. What is the distance between the aerodromes now under consideration by Department of Militia at Cambridge and Havelock, New Brunswick?

2. What is the distance between the site under consideration at Havelock and the already established aerodrome at Moncton?

3. On whose recommendation or report were the sites chosen at Cambridge and Havelock?

4. Why is it necessary to have two aerodromes between the airports of Saint John and Moncton in a distance of only about 90 miles or less?

Mr. SUTHERLAND:

1. Cambridge-Havelock, 35·5 miles.

2. Havelock-Moncton, 28·1 miles.

3. The technical officers of the Civil Aviation Branch, Department of National Defence.

4. On established airways intermediate aerodromes are necessary at intervals of approximately 30 miles.

CARLETON, QUE., LIGHTHOUSE KEEPER

Mr. MARCIL:

1. Was Louis Bujold dismissed as lighthouse keeper at Carleton, Bonaventure county?

2. Was a temporary appointment made, who was the appointee, and on what date was such appointment made?

3. Did the Civil Service Commission make a permanent appointment? If so, who was so appointed and on what date?

4. Did the appointee of the Civil Service Commission enter upon the discharge of his duty, and on what date?

5. Was the appointee of the Civil Service Commission a returned soldier?

6. If the returned soldier so appointed was not placed in charge of the light, what was the reason for such action?

7. Who is now in charge of that light, and was he appointed by the Civil Service Commission?

Mr. DURANLEAU:

1. Yes.

2. Yes; Henri Joseph Martin; 18th April, 1931.

3. Leo Labreque was selected by Civil Service Commission 29th October, 1931.

4. No.

5. Yes.

6. He was rejected under section 24 of the Civil Service Act.

7. Henri Joseph Martin; yes.

DRUMMONDVILLE, QUE., CUSTOMS EXCISE OFFICE

Mr. LAFLECHE:

1. What are the names of the employees in the customs and excise office at Drummondville?
2. On what date was each employee appointed?
3. By whom were these respective employees recommended?
4. What salary is paid to each employee?
5. What was the total revenue collected by this office during the last fiscal year?

Mr. RYCKMAN:

1, 2, 3 and 4:

Lucien Pare appointed August 6, 1912, by Civil Service Commission, salary $2,340;

J. C. R. Fleurent appointed May 31, 1930, by Civil Service Commission, salary $1,320;

L. Lemire appointed September 28, 1923, by Civil Service Commission, salary $1,740;

L. P. A. Chagnon appointed June 14, 1920, by Civil Service Commission, salary $1,740.

5. $370,780.58.

ST. JUSTINE STATION, QUE., POSTMASTER

Mr. THAUVETTE:

1. Under what government and on what date was Mr. Adelard Menard appointed postmaster at St. Justine Station, Quebec?
2. During how many years did he perform the duties of this office uninterruptedly?
3. Was he dismissed?
4. If so, on what date, and by whom?

Mr. SAUVE:

1. (a) Sir John A. Macdonald's.
(b) 1st May, 1889.
2. From 1st May, 1889 to the 8th May, 1931.
3. Yes. Reasons for dismissal were contained in a return tabled in the house on the 8th July, 1931.
4. 8th May, 1931. Postmaster General.

BONAVENTURE COUNTY, CENSUS COMMISSIONER

Mr. MARCIL:

1. Who was census commissioner for the county of Bonaventure for the last census, and how much was he paid for his services?
2. What amount was paid to the commissioner for the census of 1921?

Mr. STEVENS:

1. Mr. George M. Kempffer, $1,141.42.
2. $640, for part of work.

RESTIGOUCHE, QUE., POSTMASTER

Mr. MARCIL:

1. Has Jos. Olscamp, the postmaster of Restigouche, Quebec, been dismissed?
2. If so, who has been appointed to this office, and is the appointment permanent or temporary?

Mr. SAUVE:

1. Yes.
2. François Charles Roy has been appointed permanently.

[Mr. Duranleau.]

EMPRESS OF BRITAIN

Mr. CASGRAIN:

1. Is it to the knowledge of the government that the Empress of Britain collided with another vessel in the St. Lawrence river, in the middle of July last, near the entrance of the Saguenay river?
2. If so, was there any investigation held by the Dominion Wreck Commissioner?
3. If not, why?

Mr. DURANLEAU:

1. Yes.
2. No.
3. In the opinion of the Department of Marine an investigation was not necessary.

GRANTS OF FEDERAL CHARTERS

Mr. RINFRET:

1. How many federal charters were granted by the companies branch during the fiscal year 1930-31?
2. What was the revenue of the companies branch during that same year?

Sir GEORGE PERLEY:

1. Letters Patent, 898; Supplementary Letters Patent, 301.
2. Revenue, $389,296.

STEAMER NORTH VOYAGEUR

Mr. DUFF:

1. Is it to the knowledge of the government that the steamer North Voyageur was grounded on Red Island, in the St. Lawrence river, near the entrance of the Saguenay river, in the month of August last?
2. If so was there any investigation held by the Dominion Wreck Commissioner?
3. If not, why?

Mr. DURANLEAU:

1. Yes.
2. No.
3. In the opinion of the Department of Marine an investigation was not necessary.

*CANADIAN NAVY, SUPERIOR OFFICERS

Mr. LAVERGNE:

How many superior officers in the Canadian navy are Canadian citizens or native Canadians, and how many were born in foreign countries or in Great Britain?

Mr. SUTHERLAND: I think that question will have to be made more explicit as to just what officers are meant.

Question stands.

RAW LEAF TOBACCO IN BOND

Mr. GOTT:

1. How much raw leaf tobacco (pounds) was there in bond in Canada on November 15, 1932?
2. Can the government give a reasonable estimate as to how much tobacco, raw leaf, was held in storage in bond as of the above date?

Mr. RYCKMAN:

1 and 2. Data as of November 15, 1932, not available, and figures are of November 1, 1932:

| | Pounds |
|---|---|
| Foreign unstemmed tobacco | 7,705,144 |
| Foreign stemmed tobacco | 482,496 |
| Canadian leaf tobacco | 7,426,974 |

Note.—Under tariff item 142, imported raw leaf tobacco entered free and transferred to excise bond under conditions of Excise Act, and when taken for manufacture is subject to duty of forty cents per pound on unstemmed and sixty cents per pound on stemmed.

REBATE ON UNITED STATES TOBACCO

Mr. GOTT:

1. Is the United States tobacco used for blending or other purposes with Canadian tobacco for export allowed a rebate?
2. If so, how much?

Mr. RYCKMAN:

1 and 2. Rebate of forty cents per pound allowed on the quantity of foreign leaf (less ten per cent deducted for moisture) contained in manufactured tobacco exported.

FLOUR PRICES

Mr. LUCHKOVICH:

What was the price of flour per barrel at Halifax, Montreal, Winnipeg, Edmonton and Vancouver, on September 1, of the years 1931 and 1932?

Mr. STEVENS:

Canadian Wholesale Flour Prices, September, 1931-September, 1932

| | Winnipeg Fancy patent per barrel | Montreal First patent per barrel |
|---|---|---|
| | $ | $ |
| September, 1931 | 4 35 | 5 00 |
| September, 1932 | 3 60 | 4 60 |

Comparative wholesale prices for Vancouver, Edmonton and Halifax not available.

Average Retail Flour Prices, September, 1931-September, 1932

| | Price per pound September, 1931 | Price per pound September, 1932 |
|---|---|---|
| | cents | cents |
| Halifax | 3·4 | 3·5 |
| Montreal | 3·7 | 3·4 |
| Winnipeg | 3·0 | 2·7 |
| Edmonton | 3·0 | 2·8 |
| Vancouver | 3·5 | 3·1 |

ST. LAWRENCE NAVIGATION COMPANY, SUBSIDIES

Mr. LAVERGNE:

1. Did the Lower St. Lawrence Navigation Company obtain subsidies from the government during the past ten years?
2. If so, what were the amounts of such subsidies, and for what purposes were they granted?

Mr. STEVENS:

1. Yes.

2. Under contract signed April 11, 1930, the following payments have been made:

| Fiscal Year | Subsidy Paid |
|---|---|
| 1930-31 | $49,990 |
| 1931-32 | 50,000 |
| 1932-33 (to September 30) | 28,125 |

The above subsidies were paid for the performance of the following services:

(a) Rimouski and Pointe-aux-Outardes Service.—Three round trips a week during the season of navigation, from Rimouski to Bersimis, Ile-aux-Outardes and Pointe-aux-Outardes.

(b) Rimouski, Comeau Bay and Trinity Bay Service.—Three round trips each week during the season of navigation between Rimouski and Comeau Bay; two trips each week being extended to Franklin, Bay St. Nicholas, Godbout and Trinity Bay.

(c) Matane, Trinity Bay and Seven Islands Service.—Two round trips each week during the season of navigation from Matane to Seven Islands, calling each way at Trinity Bay, Pentecost, Egg Island, Shelter Bay, Clarke City and Seven Islands.

During 1932-33 the amount previously voted having been reduced by 25 per cent to $37,500, certain reductions were made in the service. The Rimouski and Pointe-aux-Outardes Service has been reduced to two trips a week, with one call each week at Pointe Lebel. On the Rimouski and Trinity Bay Service, calls at Comeau Bay have been discontinued, operations at this port having been closed down. Two trips a week have been made from Rimouski to Trinity Bay, extending one trip to Seven Islands, calling at way ports.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

COUNTY OF BONAVENTURE, PUBLIC WORKS

Mr. MARCIL:

1. Have any works been authorized by the Department of Public Works in the county of Bonaventure, since the first of October last?
2. If so, what are they and what amount has been authorized?
3. Have any such works been authorized in the parish of St. Simeon de Bonaventure, what are they and what amount has been authorized?

POST OFFICE REVENUES

Mr. POULIOT:

What is the last total annual revenue and the last total net annual revenue, after deducting salaries of postmasters, allowances and mail carriage costs, of post offices whose incumbents were subjected to inquiries for political partisanship since the month of August, 1930?

Mr. SPEAKER: This order is now tabled.

## MOTIONS FOR PAPERS

ST. LAWRENCE RIVER, TWELVE MILE LIMIT

Mr. POULIOT:

For a copy of all orders in council regarding the twelve mile limit in the St. Lawrence river passed during the last ten years.

ADDINGTON FORKS, ANTIGONISH COUNTY, POST OFFICE

Mr. DUFF:

For a copy of all correspondence including letters, telegrams and other documents, exchanged between the Postmaster General and any of his officials and any person or persons in the province of Nova Scotia, regarding the removal of the post office from Addington Forks, Antigonish county, Nova Scotia, where it was for over 100 years, to the other end of the district, near Beaver Meadows.

Mr. SPEAKER: This order will have to stand for amendment, because it is not in proper form.

BRIGHT FAN INQUIRY

Mr. McINTOSH:

For a copy of the evidence adduced at the investigation instituted to inquire into the sinking of the British freighter Bright Fan in Hudson strait, as well as any letters, telegrams, radiograms and other documents made use of during the investigation but not included in the evidence.

## MINISTER OF MARINE

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, on behalf of the back benchers of the opposition I wish to welcome the hon. Minister of Marine, and Acting Minister of Fisheries (Mr. Duranleau).

Hon. ALFRED DURANLEAU (Minister of Marine): I thank the hon. member.

## RELIEF TO PENSIONERS

INQUIRY CONCERNING READJUSTMENT OF WINTER AND SUMMER ALLOWANCES

On the orders of the day:

Mr. J. S. WOODWORTH (Winnipeg North Centre): Mr. Speaker, I understand that last April the scale of relief for pensioners was cut down on the ground that the expenses during the summer months were not as heavy as they had been in the previous winter. Winter is upon us again. I have before me a communication from Deer Lodge indicating that pensioners on relief are very anxious to have the scale restored to where it was, and also some allowance for clothing. Ordinary work is entirely non-existent, and they cannot possibly subsist under conditions as they now obtain. May I ask the Minister of Pensions and National Health whether action will be taken by the government along this line?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, from what I heard of the hon. member's question I am inclined to believe that his statement is somewhat inaccurate. I understand that he has inquired as to what the allowance is at the present time.

Mr. WOODSWORTH: No. I shall repeat my question. I understand that the relief granted to pensioners was cut down last April on the ground that expenses for the summer would not be as great as they had been the previous winter. I have now before me a communication from pensioners at Deer Lodge St. James, Manitoba, in which they urge that the scale be restored to the original rate, and that there should be an allowance for clothing. Will the government take action in the matter?

Mr. MacLAREN: As I stated before, I think the hon. member is inaccurate when he states that the allowance has been cut down. That is hardly a correct way of putting it, because relief has been given during the summer months along lines similar to those adopted in the previous summers. At the present time the rate upon which pensioners receive unemployment relief is figured on the basis of the amount of relief granted by the various municipalities. The amount of pension, plus the amount of relief to pensioners who are in conditions requiring relief amounts to not less than the amount granted by municipalities. That is the principle upon which unemployment relief is now given, and it is proposed that this amount of relief be continued through the winter months.

## WHEAT MARKETING

GUARANTEES TO CHARTERED BANKS FOR ADVANCES TO SELLING AGENCIES

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I should like to ask a question of the Prime Minister or the Minister of Finance. On Tuesday last orders in council were laid upon the table in regard

to guarantees to chartered banks for advances made to certain wheat marketing agencies. Upon referring to order in council No. 2077 of September 20 I find that there is provision for the guarantee of certain advances within the limit laid down in the order in council. Then, at the end of the document there is a further provision for the guarantee of an additional advance without limits, so far as I can see. There is the provision that the additional advance will be authorized by order in council. I ask whether any such additional advances have been made, and if so whether they have been guaranteed? In the event of such guarantees will the government lay the order in council on the table?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, my memory is that no additional orders in council were passed, but if such have been passed they will be laid on the table tomorrow—that is, if there are any.

## DISARMAMENT CONFERENCE

### REPORT OF DELEGATES REPRESENTING CANADIAN GOVERNMENT AT GENEVA

On the orders of the day:

Right Hon. Sir GEORGE PERLEY (Argenteuil) (Minister without Portfolio): Mr. Speaker, on Friday last the leader of the opposition asked a question regarding the report of the delegates to the Disarmament conference which I, along with two colleagues and a staff, had the privilege of attending. I have before me two copies of the report in English, with annexes attached. Also I have copies of the covering letter which I sent to the Prime Minister with the report. Further, I have two copies of the report itself in French, along with the covering letter.

The report is rather lengthy. As this can be only an interim report, and as the matter is still very much under discussion it is not proposed at the present time to print it. In the letter which I sent to the Prime Minister I explained to him in a brief way the situation as I understood it, and with your permission I would like to read this letter for the information of the house, as it gives the main points:

Ottawa, November 1, 1932.

The Right Hon. R. B. Bennett, M.P.,
Prime Minister and Secretary of State for
External Affairs,
Ottawa, Ont.

Sir,

I have the honour, as chairman of the Canadian delegation to the Geneva Disarmament conference, to submit the enclosed report on the work of that conference from its opening on February 2, to the adjournment of the first session, July 23, 1932. The work of the first session cannot be considered an unqualified success, and yet it is not fair to say that nothing was accomplished. The complexities of the disarmament movement are familiar to every student of the subject. These complexities, which would have made the problem before the conference a difficult one in any case, were increased by several special events, which held back the work of the first session, and which were concerned partly with the situation in the far East, and partly with the exigencies of politics in certain European countries. As a result not as much was accomplished as had been hoped for. An analysis of these accomplishments is given in the concluding section of the enclosed report.

May I outline here, briefly, the progress of events at the first session. The conference opened on February 2, with a general debate in which the representatives of some forty states participated. This occupied almost a month. After the conclusion of the general debate the conference concerned itself with mapping out a plan of procedure for the work before it, not a simple task, and in setting up committees on land, naval, and air armaments, political questions and national defence expenditure. These committees had begun their work before the Easter recess, which lasted until April 11. After this recess the conference concerned itself for some weeks with the question of qualitative disarmament, that is the abolition of certain weapons chosen more particularly because of their aggressive nature, their efficacy against national defence, or their cruelty to the civil population. After a vigorous debate the principle of qualitative disarmament was accepted, and the technical land, naval, and air committees were instructed to examine what armaments might be dealt with under it. This constituted a new and important approach to the problem of disarmament. It was meant to be a supplement to, not a substitute for, quantitative disarmament. It was rightly considered that at this time quantitative disarmament could not be achieved without the prior solution of certain political difficulties. While the representatives of the larger powers were attempting to settle some of these political difficulties, by informal conversations, the consideration of qualitative disarmament went on in the technical committees, but it was not particularly successful. The problem was as political as it was technical, and committees of experts found a technical solution difficult indeed. The result is that the reports on qualitative disarmament finally submitted by the committees to the general commission of the conference are little more than records of their proceedings.

From June 10, when these reports were presented, to June 22, there were important private conversations among the representatives of the great powers in a further effort to find some solution of the more serious political difficulties which stood in the way of progress. It may be said here that these were concerned largely with the German demand for "equality" (that is, the removal of special treaty restrictions) and the French demand for "security." It had become only too apparent that the fate of the conference was contingent to a large extent on the satisfactory settlement of these two questions. While this solution was being sought, a new direction was given to the work of the conference on June 22, by the presentation of what came to be known as the Hoover proposals, which advocated generally a one-third

reduction in armaments. These proposals were debated until July 5, and while there was general acceptance of the principle behind them, it was felt that further time was needed for a consideration of their details. It was decided, therefore, that the conference should adjourn to give time for this consideration. A resolution including all the points on which the governments had been able to reach agreement during the first phase of the conference was then drawn up and submitted for acceptance. This resolution, which is analysed in the penultimate section of the enclosed report, was accepted on July 23 by 41-2, with eight abstentions. Germany and Russia voted against it. The conference then adjourned while making provision for the continuation of the work of the bureau during the adjournment. The bureau, which consists of the president and vice-presidents of the conference, the officers of the general commission, and the chairmen of the important committees, continued its duties during the summer. It supervised the work of a committee on effectives, requested certain of its members to submit reports on various questions raised by the closing resolution, and set up a committee to deal with the question of the trade in and manufacture of arms, a subject which was of special interest to the Canadian delegation, but which had not been reached in the deliberations of the first session of the conference. The main activity of the bureau, however, during the adjournment, has been its efforts to get Germany back into the conference. The German delegate had announced, in voting against the closing resolution, that his government would take no further part in the disarmament conference until the question of "equality" had been settled. The bureau has been making every effort to persuade the German government to reconsider this position. At the same time the United Kingdom government has been also attempting to find a way out of this impasse. It is becoming increasingly clear that unless such a way out is found, the next session of the conference will have small chance of making that further progress which is essential and which the public opinion of the world demands.

The bureau is to meet this week and it will then be decided on what date the next session of the general commission of the conference will be called, when subjects of great importance will be discussed. In addition to the German claim for equality it is probable that the French delegation will submit a scheme guaranteeing that political security on which, in their view, disarmament must depend. The Hoover proposals will also be considered, while the further reduction of naval armaments will also probably be examined. There is reason to believe that, if the views of France and Germany can be reconciled, decisions of far-reaching importance may be taken at the forthcoming session.

The attitude of the Canadian delegation at the first session of the conference may be summed up in the following words: We gave whole-hearted support to any and every constructive proposal for the limitation and reduction of armaments which was laid before the conference. We were at times somewhat impatient at the slowness of the progress which was being made, but at the same time we realized the difficulties that had to be faced and the problems that had to be solved. Those difficulties and those problems were primarily



neither of our making nor for our solution, but it was our duty to do everything we could to assist in the efforts that were being made to bring about some effective limitation and reduction of armaments, as a step in the direction of ensuring world peace.

I have the honour to be, sir,
Your obedient servant,
George H. Perley.

May I say that there is a French translation of this letter that I am putting on the table.

Now, Mr. Speaker, that explains the position as it existed on the first of this month. Since then, as hon. members of the house have seen in the press, both France and the United Kingdom have put forward somewhat modified suggestions or proposals. They are before the bureau now in session at Geneva, and will receive most careful consideration. And may I explain to the house that the bureau is similar to an executive committee, or committee on arrangements. It has no power to make decisions on questions of policy or principle, without reference to the general commission of the conference, but its reports and recommendations always carry great weight.

While I am on my feet I would like to be allowed to take advantage of this opportunity to pay tribute to the splendid spirit of co-operation which existed among the Canadian delegates and our advisers at the Disarmament conference. My colleague, Mr. Dupré, Solicitor General, made a definite place for himself among those who were directing the activities of the conference, which was shown in a special manner by his election to the important post of vice-president of the Naval committee.

The other official delegate was Miss Winnifred Kydd, president of the National Council of Women. There were only two ladies who were full delegates to the Disarmament conference, and we are proud of the fact that one of them was a Canadian. In this way the dominion recognized the fact that the women of Canada have a very direct interest in the question of disarmament. You will not be surprised, Mr. Speaker, to be told that Miss Kydd was a happy and fortunate selection for this place. Her energy and ability are well known, and she was very helpful in every way As for the staff and our advisers, I do not intend to mention them by name but I cannot speak too highly of their capable assistance and of the faithful and efficient service which was given us by them. I can assure the house that we all sincerely appreciated their loyal work. I see

by the press of Saturday that our advisory officer at Geneva, Doctor W. A. Riddell, who has represented the government there for a number of years, was chosen the other day as dean of the diplomatic corps. That is a worthy honour for Doctor Riddell, which reflects credit on the dominion as well.

In conclusion, Mr. Speaker, I wish to add that all of us in Canada are very much alive to the necessity for disarmament as the best way of preventing future wars. We must not be discouraged if this is not accomplished as quickly as we might wish, and we must continue to do everything possible to bring it about.

Hon. ERNEST LAPOINTE (Quebec East): May I ask the right hon. gentleman whether a date has been agreed upon or even suggested for the reconvening of the Disarmament conference.

Sir GEORGE PERLEY: As I said before, the bureau is now in session in Geneva. At one time it was suggested that the general commission—not the conference itself, which will not meet until the parties have agreed on a date—which is a committee of the conference, just as we have a committee of the whole house, perhaps would meet on the 21st of this month. Then we heard last week that perhaps it might meet on the 28th of this month. No date has been fixed, and we have as yet no definite advice as to when the general commission will meet.

Mr. LAPOINTE: While my right hon. friend was in Geneva, with the Solicitor General (Mr. Dupré), and Miss Kydd, a special meeting of the assembly of the League of Nation was called for the purpose of considering the Manchurian question. The right hon. gentleman and the Solicitor General were appointed to represent Canada at that meeting. I do not know why Miss Kydd—as to whose qualifications I entirely agree with my right hon. friend—was not made a member of that delegation as well. I cannot discuss that question at the moment, but I should like to know if my right hon. friend will submit to the house also a report of the proceedings of that meeting of the assembly of the League of Nations.

Sir GEORGE PERLEY: All I can say in reply to my hon. friend is that if this had been a regular session of the house I fancy there would have been a report presented in regard to the meeting of the assembly, but I have no such report with me at the present time.

Mr. LAPOINTE: Certainly the house is entitled to that report.

Right Hon. R. B. BENNETT (Prime Minister): May I add to what my right hon. friend has said. The ex-Minister of Justice (Mr. Lapointe), well knows that at the special meeting of the assembly of the League of Nations the government of Canada was represented by two of its members.

Mr. LAPOINTE: But why two of its members?

Mr. BENNETT: Because it was advisable to do so.

Mr. LAPOINTE: I protested at the time, and I still protest against the government not appointing the three members of the delegation to represent Canada at that meeting. Miss Kydd was there.

Mr. BENNETT: That is slightly childish.

Mr. LAPOINTE: The attitude of the government is childish.

Mr. BENNETT: The repetition of a remark does not add to its strength.

Mr. LAPOINTE: I am sorry I had to repeat it.

## SOCKEYE SALMON TREATY

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): On Wednesday last the hon. member for Vancouver Centre (Mr. Mackenzie) asked whether the government were considering making representations to the government of the United States with respect to the ratification of the sockeye salmon treaty. I can only say that the government are in close touch with the situation but obviously, having regard to the political changes which have taken place in the United States during the last few weeks, it is not desirable to enter into any discussion here with regard to a matter of that kind.

## CANADIAN POLICY IN THE FAR EAST

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): On Friday last the hon. member for Winnipeg North Centre (Mr. Woodsworth) asked a question with respect to the eastern situation, his question being in the following terms:

What, if any, is the policy of His Majesty's government in Canada in regard to the situation in the far east and to the Lytton report?

Perhaps I can best serve what I conceive to be the public interest by indicating that

it is not thought desirable to enter into a discussion at this time with respect to a matter of this kind, for it not only cannot serve the public interest but would be anticipating action that might be taken, and therefore is to be deprecated. In that regard I have the support of the Foreign Secretary of the United Kingdom, Right Hon. Sir John Simon, who in dealing with the same matter on the 10th of this month used these words:

It is the greatest possible mistake to suppose that good is done by individual preliminary declarations.

I think that clearly indicates the position of His Majesty's government in Canada, but in view of the fact that many members of the house are greatly interested in this matter and have been asking questions of members of the government, though not in the house, I think it well to direct attention to a few matters that I trust will make the situation somewhat clearer than it is at the moment to some of them.

First, on December 10, 1931, by a resolution of the council of the League of Nations a committee or commission was set up under the chairmanship of the Earl of Lytton, to study on the spot and to report to the council on any circumstance which, affecting international relations, threatened to disturb peace between China and Japan or the good understanding between them upon which peace depended. Secondly, it will be recalled that a special assembly of the League of Nations was called to consider this matter, and at that session a special committee of nineteen members was set up, much like a committee of this house, to consider the report that would be made. Canada is not a member of the council; Canada is not one of the nineteen countries represented on that special committee.

I next observe that the Lytton report was signed in Pekin on September 4 of this year, and submitted to the council of the League of Nations on the first day of October last. Today the council meets to consider the report. It was originally intended that it should sit at an earlier date, but the Japanese government requested that time be given to enable it to file a memorandum with regard to its attitude towards the report. That memorandum has been filed, and a summary of it was delivered to His Majesty's government in Canada today. There are now two courses open: (a) the council of the League of Nations may proceed to consider the Lytton report, or (b) the special committee of nineteen may proceed to consider the report. In any event ultimately the matter will reach the assembly, of which Canada is a member, which presumably will not meet this year.



That is the situation at the present moment. If I were to answer the question as to what is the policy of the government with respect to the Lytton report I would be anticipating what will be the attitude of the government after the assembly meets to consider it and gives this important question careful consideration. And as Sir John Simon pointed out, preliminary declarations prior to discussion, or prior to opportunity being afforded to listen to what is being said by others, if carried to its logical end would of course render the meeting of the assembly wholly unnecessary, because every member would then be confronted with a prior declaration —and the whole purpose of the gathering is to afford opportunities for discussion, for conference, for understanding in order that some way out may be found that will result in a permanent peace in that territory.

May I further, just for one moment, direct the attention of the house to the language of the Secretary of State for Foreign Affairs when speaking on November 10, making the address he did from which I have extracted the section to which I have referred. He said, in addition to what I have already read:

We shall continue to act, as we have acted throughout, in loyal cooperation with the League of Nations on the whole matter. It is the greatest possible mistake to suppose that good is done by individual preliminary declarations. We shall hope to act, we mean to act, with the League of Nations as a whole, and we have a further ground for satisfaction in knowing that, anxious as this situation is, unsatisfactory as it is in many respects, we have in this matter been able to act not only side by side with other members of the League of Nations but in the closest cooperation and good faith with the United States of America.

And, as is known, the United States is not a member of the League of Nations. I think that fairly represents in general terms the attitude of His Majesty's government in Canada. But with respect to the whole Manchurian situation, in view of the inquiry, I desire to point out that copies of the report are in the library—I speak from memory, but I think there are four copies—and I believe that additional copies can be secured at the office of the League of Nations in this city. There are, however, a few words at the end of that report, the concluding paragraphs in fact, which I think indicate clearly the magnitude of the problems that are involved:

Manchuria, for a year past, has been given over to strife and turmoil. The population of a large, fertile and rich country has been sub-

jected to conditions of distress such as it has probably never experienced before. The relations between China and Japan are those of war in disguise, and the future is full of anxiety. We have reported the circumstances which have created these conditions. Everyone is fully aware of the gravity of the problem which confronts the League of Nations and of the difficulties of the solution. At the moment of concluding our report, we read in the press two statements by the foreign ministers of China and Japan, from each of which we would extract one point of the utmost importance.

On August 28, Mr. Lo Wen Kan declared at Nanking:

"China is confident that any reasonable proposal for the settlement of the present situation will necessarily be compatible with the letter and spirit of the covenant of the League of Nations and the anti-war pact, and the nine-power treaty, as well as with China's sovereign power, and will also effectively secure a durable peace in the far east."

On August 30, Count Uchida is reported to have declared at Tokyo:

"The government considers the question of Sino-Japanese relations as more important than the question of Manchuria and Mongolia."

The concluding paragraph of the Lytton report reads:

We cannot close our report more appropriately than by reproducing here the thought underlying these two statements: as exactly does it correspond with the evidence we have collected, with our own study of the problem, and consequently with our own convictions, so confident are we that the policy indicated by these declarations, if promptly and effectively applied, could not fail to lead to a satisfactory solution of the Manchurian question in the best interests of the two great countries of the far east and of humanity in general.

Mr. WOODSWORTH: The other day the Prime Minister said that this matter had not been discussed because it was sub judice. Do I understand that there cannot be a discussion in this parliament until the matter is decided by the council of the League of Nations? I confess I am a little mystified in regard to the relationship that exists.

Mr. BENNETT: Our relations to this matter arise primarily from the fact that we are a member of the League of Nations and we must sit on that report and determine what action shall be taken to give effect or otherwise to the recommendations therein contained. It is an elementary rule that those who sit upon matters in a judicial or deliberative sense should not prejudge the case by antecedent public declarations. They may for the purpose of discussion, talk with one another or negotiate a point of view for the purpose of hearing it controverted by someone else; but the broad general rule is that a matter that is sub judice, that is to say, a matter that is being considered by a body charged with authority as is the League of Nations—the assembly—with quasi-judicial powers, if one examines the covenant carefully, should not be the subject of expressions of opinion publicly which would preclude the possibility of that body being able to treat the whole matter with an open mind, not bound by previous declarations.

Hon. ERNEST LAPOINTE (Quebec East): How can members of the parliament of Canada express their views if that is the right doctrine?

Mr. BENNETT: They can always express their views in opposition to the view taken by the government and deprive the government of power.

Mr. LAPOINTE: But it would be too late.

Mr. BENNETT: But as Sir John Simon has pointed out, if you set up any body—for instance, a board of arbitration—to consider a delicate problem in this country, would it be regarded as sound for the house to discuss the problem in all its bearings before the arbitration was held, and to express opinions, one member after another, as to what the arbitrators should decide? That, I submit, is not the true rule, and once we have attorned to the jurisdiction of the League of Nations it must be taken that we have accepted the principle that that body is the body to determine and pass upon questions that involve international relations as between Canada and other countries.

Mr. LAPOINTE: I quite agree with my right hon. friend that this parliament should not take a definite stand on a matter of this kind. But surely the representatives of Canada, at the League of Nations or at any conference which is going to deal with the matter, are entitled to know what the opinions and views are as a result of discussion in the House of Commons, or otherwise. That is quite different from this house taking, by resolution or otherwise, a definite attitude on the question before it is debated and considered by the League of Nations. The members of this Canadian House of Commons, I submit, are certainly entitled to express what in their opinion their representatives there should bring forward as the views of the Canadian pepole.

Mr. BENNETT: Mr. Speaker, even at the risk of asking your indulgence for one moment, I would not suggest at all that the members of the House of Commons might not express any opinion they pleased, but I do say that it is not expedient that it should be done. I say further, beyond all peradventure of doubt, that the government should not make

a declaration of policy, when the policy must needs be to some extent governed by considerations that will arise through discussions that will take place by the tribunal which ultimately has to decide the matter. It is one of the great difficulties we have, and all nations have, that being so far away from Geneva, although it is true we can now use the telephone, we are unable to know exactly what transpires from hour to hour, having regard to differences of time—and it is sometimes of the utmost importance that we should. Were I to declare to-day an attitude which is in my mind with respect to some of these matters, it might not only become embarrassing but might render the influence of this dominion absolutely useless so far as the problem itself is concerned, for my antecedent judgment would be upon facts which might be varied by reason of concessions made between powers, or by a new attitude being taken with respect to them. Like all other problems of this kind which are dealt with by tribunals other than the parliament of Canada, the representatives of the countries affected always must accept great responsibilities where they cannot get the fullest possible instructions from their governments. All that can be said is that from the fact that they represent the government, they will, to the extent that it is possible, obtain from the government of the day a clear appreciation of their understanding of the problem and of such modification as may arise by reasons which exist when the problem has to be finally dealt with and which involve, as I have said, negotiations, discussions and sometimes concessions which have to be made by one of the parties to the dispute. Almost any problem is capable of being entirely altered by reason of a changed attitude on the part of those primarily responsible for its solution.

## WORLD ECONOMIC CONFERENCE

On the orders of the day.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, since we are discussing international matters I should like to take this opportunity to ask the Prime Minister (Mr. Bennett) whether or not he has any information to give as to when and where the international conference will be held. A rumor has appeared in the press that the conference will not be held at all unless and until Great Britain agrees to return to the gold standard.

Right Hon. R. B. BENNETT (Prime Minister): I have no official advices beyond those which I indicated to the house the other day. So far as I know the conference will be held but it may be that there will be delays consequent upon political appeals. As to the date of meeting, I was not then in position to give the house any idea as to what month it would be, and I cannot do so today.



## LEAGUE OF NATIONS

### OFFICIAL STATUS OF DR. RIDDELL, CANADIAN ADVISORY OFFICER

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I should like to make an inquiry of the Acting Secretary of State (Sir George Perley) in connection with the recognization which has been accorded to Dr. Riddell at Geneva as the so-called dean of the diplomatic corps. May I say first of all that I would be among the very first to appreciate any recognition given to Dr. Riddell because I believe him to be an excellent officer but I should like to know whether or not the government regards the post which Dr. Riddell holds at Geneva as a diplomatic post. As I understand it, a diplomatic post as considered in international affairs is a post held by one who represents his sovereign and who is accredited by his sovereign to the executive head of some other country. Dr. Riddell's position is that of Canadian advisory officer at the League of Nations; as such it undoubtedly has quasi-diplomatic functions but I question very much whether the government's intention is to consider this position as being of a diplomatic character in the sense in which that term is used as, for example, in the case of ministers and ambassadors who are now resident at Geneva and who are members of the diplomatic corps in the strict meaning of that term.

Right Hon. R. B. BENNETT (Prime Minister): The right hon. gentleman knows of course that there has been no change in the position of Dr. Riddell and the observations which he has made are absolutely correct. He is not accredited by one sovereign to another as are several representatives in Geneva, he occupies exactly the position which the right hon. gentleman has indicated, namely Canadian advisory officer. In that sense, he is not a diplomatic agent at all.

## REMEMBRANCE DAY

On the orders of the day.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I should like to direct a question to the Minister of National Defence (Mr. Sutherland) based on a persistent rumour which has been circulating throughout the

country especially among returned men and members of the Canadian Legion. This rumour is that the members of the permanent force who paraded in Ottawa and other cities on Remembrance Day carried rifles and had been issued ammunition and side arms. I should like to know if such an order was given by the minister or his department, and, if so, why was the order given?

Hon. D. M. SUTHERLAND (Minister of National Defence): I shall consider this as a notice of question by my hon. friend.

Mr. SANDERSON: I have another question to direct to the Minister of Justice (Mr. Guthrie), whose department, I understand, has charge of the Royal Canadian Mounted Police. It is reported that on Remembrance Day the Royal Canadian Mounted Police paraded to the services held in Ottawa and other cities armed with rifles or revolvers and supplied with ammunition. I should like to know if this rumour is correct and, if so, why was the order issued?

Hon. HUGH GUTHRIE (Minister of Justice): I shall have to make inquiry before I answer the question. I presume these men appeared in the correct uniforms and accoutrements for such an occasion.

Mr. SANDERSON: I was not referring to the uniform, I was referring to the arms.

Mr. GUTHRIE: I shall ascertain definitely in connection with the arms and give an answer to the question.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

The house resumed from Friday, November 18, consideration in committee of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom —Mr. Bennett.—Mr. MacDonald (Cape Breton South) in the chair.

On article 12.

His Majesty's government in Canada undertake forthwith to constitute the tariff board for which provision is made in the Tariff Board Act, 1931.

Mr. MACKENZIE KING: May I ask the government just when it is intended to appoint this board and if it is possible to indicate the probable personnel?

Mr. BENNETT: I think the right hon. gentleman would be the first to say that it would be quite impossible to indicate who the probable appointees will be. Last summer when it became apparent that we would have to consider matters of the character contained in these agreements, the government concluded that it was undesirable to appoint this tariff board until after the economic conference. I can assure the committee that we are endeavouring to obtain the services of men whom we consider will be qualified in every sense to discharge what we conceive to be a very difficult task.

Mr. MACKENZIE KING: I hope the Prime Minister will not mind my pointing out to him the fact that since his administration came into office the tariff has been revised several times and is now at a point where I imagine it would not be possible to do very much more by way of an increase. Any real purpose which the tariff board might have served has, I believe, gone by, but I should like to know whether or not the Prime Minister will undertake to say that before further increases are recommended the tariff board will be given an opportunity to consider and report upon such increases.

Mr. BENNETT: I am afraid one could hardly make that promise, for reasons which I am quite certain the right hon. gentleman understands more thoroughly than most. A situation might arise which would require action, as has happened in the past. The right hon. gentleman probably will say that we will still have section 43, but I do not think it is quite apt to suggest that we give an undertaking of this character.

Mr. MACKENZIE KING: In the constitution of this board will the Prime Minister be prepared to see that different political views are represented in the personnel? As my right hon. friend is aware, on the board constituted by the United States government to deal with such matters the different political parties are represented. If this board is to be appointed for a term of years it would seem only reasonable that some representation should be given to the different political points of view. I would ask my right hon. friend if he is prepared to consider granting or will grant that form of recognition.

Mr. BENNETT: The right hon. gentleman will remember that when the Tariff Board Act was under consideration as a bill, the point to which he now directs attention was referred to by him and other hon. members on that as well as on this side of the house. The United States tariff board is, of course, a much larger one than ours. At the moment our board is composed of three, the chairman and two members. Having regard to the size of this country, as I pointed out

when we were dealing with the bill, I am sure it will be desirable to endeavour to secure representation from other than one part of the country, and if it is at all possible, having regard to conditions, to ensure that other than one school of thought, for instance, is represented on the board, we shall do so, but I shall try to avoid purely political considerations.

Mr. MACKENZIE KING: I might draw my right hon. friend's attention to the further fact that under this agreement the character of the tariff board is being altered in one material factor. It is being given a judicial function such as has not hitherto been contemplated. That affords a still further reason why care should be taken in the appointment of the personnel to see that whoever may be selected are at least persons not too biased in their political opinions.

Mr. BENNETT: I have great hopes that I may be able to secure encomiums from hon. gentlemen opposite on the appointments which will be made.

Mr. LAPOINTE: I hope my right hon. friend will have better success than was the case in the appointment of the radio board.

Mr. BENNETT: I thought my hon. friend would say that.

Mr. LAPOINTE: My right hon. friend knew I had to say it. That is the result of a guilty conscience, I am afraid. Leaving that aside, may I ask whether there will be any necessity of amending the law creating the tariff board for the purpose of meeting the requirements of this agreement?

Mr. BENNETT: It is thought and, I believe, correctly, that with this agreement ratified in the form in which it is, the only change that may have to be made in the tariff board will be to provide more ample compensation to whoever may become members of it. That is the real difficulty. May I say this with respect to the radio board: the chairman of that board certainly cannot be charged with being a politician.

Mr. LAPOINTE: I am not speaking about that point.

Mr. BENNETT: The civil servant who was selected for the position is a gentleman who, if he votes at all, has, so far as I know no politics; at least he has not manifested any. The appointment to which the hon. member takes great exception was made from Quebec. It is true the gentleman was interested in political matters but his life has not been lived in a political atmosphere. He was a professional man of, I think one might say, very high reputation. He was engaged by the present Liberal administration for forestry work. He has had a fine training and career so far as that work is concerned. He has lived much outdoors. He has an excellent education and he is at any rate regarded as a fair-minded man. The fact that at one time he was mixed up in an election by being a candidate and assisting his party to organize is of course a factor that gives my hon. friend an opportunity to criticize. I am not complaining of my hon. friend's criticism, but I think he will find that this gentleman, in the discharge of his duties, will be eminently fair, because in the long career he had in administering a very difficult act in connection with forestry operations in Quebec, he did work for the government headed by Mr. Taschereau, was paid large sums of money per annum for doing it and had to adjust very delicate differences.

Mr. LAPOINTE: Hear, hear.

Mr. BENNETT: He was not a cheap man in any sense. He had a fine professional reputation and he was paid large sums of money for the service he rendered. He adjusted delicate differences between lease holders and crown holders, I think to the satisfaction of the persons concerned, and the government. He was highly spoken of by those best able to express an opinion. The fact that he was interested in one election—

Mr. LAPOINTE: More than one.

Mr. BENNETT: Well, let us say several elections—should not debar him from a public position, because I think he realizes that if he can in any respect be charged with political activities, he would forfeit the position he holds.

Mr. LAPOINTE: May I say a word on this matter, Mr. Chairman? I realize this has not much to do with the clause at present under discussion, but still I cannot let it go without a word. I have nothing personally against the gentleman. He had contracts from the Quebec government no doubt, and as my right hon. friend says, earned large sums of money; but he quarrelled with them and became the organizer of the Conservative party. Not only was he a candidate but he was chief organizer of the Conservative party for the Quebec district during many election campaigns. I have no quarrel with the government giving him a position of some kind, but as regards the radio board last year we agreed unanimously that political considerations should be eliminated altogether. He is there to represent an important section of the com-

munity, a section which is a little apart as regards certain functions of radio broadcasting, and we certainly hoped that the man who would be appointed would carry the confidence of the whole community. I am sorry that the government has appointed a man, who, however honourable he may be, has been so closely identified with one political party in Canada. That is all.

Mr. BENNETT: I should just like to mention to my hon. friend, because it is a fact known to Mr. Maher himself, that a certain well known professional gentleman in Quebec was not able to accept the position, because the salary was wholly inadequate as compared with what he is now securing.

Item agreed to.

On article 13:

His Majesty's government in Canada undertake that on the request of His Majesty's government in the United Kingdom they will cause a review to be made by the tariff board as soon as practicable of the duties charged on any commodities specified in such request in accordance with the principles laid down in article 11 hereof and that after the receipt of the report of the tariff board thereon such report shall be laid before parliament and parliament shall be invited to vary wherever necessary the tariff on such commodities of United Kingdom origin in such manner as to give effect to such principles.

Mr. POULIOT: With regard to references to the tariff board, may I direct attention to Hansard of November 15, 1932, at page 1169 with regard to cocoa butter. I have received a letter of protest from a Toronto manufacturer, Mr. J. Wardropper, managing director of Rowntree Company, Limited. This letter, which is dated Toronto 3, November 17, 1932, reads:

I have just received a copy of the record of the House of Commons debate for Tuesday, November 15, 1932, and note from page 1242 of the records that you seized the opportunity to poke fun deservedly at the Prime Minister's suggested ways and means by which he could increase his already large interest in the manufacturing industries of Hull.

I notice that you also took considerable time of the house to explain the movements of international trade in cocoa butter. It is rather galling to me, a manufacturer, to find that a member of the House of Commons can get on his feet and inform the house that cocoa butter is derived from the cocoanut.

How can we get intelligent action upon affairs concerning our industry when such misstatements are made apparently in all seriousness.

May I teach something to the manufacturer of that commodity. There is no "cocoa butter"; there is cacao butter. If I said "cocoa butter" it was just to see if one of the hecklers on the other side of the house would correct me. As they did not, I will tell them and Mr. Wardropper that they are cocoanuts.

Mr. MACKENZIE KING: I notice that in this article the word "invited" is used, and it is used several times elsewhere throughout the agreement. In the other articles where it has been stated that the government would be invited to do so and so, the interpretation placed upon the phrase has been that the government would do so and so; in other words that it was part of the agreement and that the phrase meant they shall do so and so. I ask if that is the construction to be placed upon the expression, "shall be invited to vary wherever necessary" and whether those words are applicable to whatever the tariff board may recommend to parliament under this particular article.

Mr. BENNETT: The right hon. gentleman is perhaps more fully aware than I am that it is always difficult to choose words which will not indicate that the body to which they are directed is in any sense being coerced, although sometimes it has been suggested that that was so in this case. What happened was that the word "invited" was said by the leading legal member of the British delegation to be the appropriate term to use in a case of this character. I looked it up very hurriedly and was quite satisfied that the word used expressed the proper shade of meaning, when you indicate that a power is conferred to enable a function to be discharged. I think that is as far as I can usefully go in an endeavour to define the term, because the context more or less determines the exact shade of meaning to be given to the word as used. For instance, it might be given a different meaning in one paragraph than it has in another, by reason of surrounding context. In a general way, however, it indicates that power is conferred for the purpose of enabling a function delegated or imposed upon a body to be discharged.

Mr. MACKENZIE KING: I am glad the Prime Minister has given us an interpretation, because the leading legal member of the British delegation to whom he referred, would as I understand it, be the Right Hon. Lord Hailsham. I read the remarks of Lord Hailsham delivered at Calgary, and it seemed to me they went much farther with respect to the authority which this tariff board will have than the right hon. gentleman is prepared to go at the moment. If I understood them correctly Lord Hailsham's remarks were to the effect that the tariff board would be a judicial body, that its decisions would be more or less binding upon the government of the day and that it would be the duty of the government to see that whatever decision the tariff board gave should be implemented by parliament. I submit any view of that kind

is wholly subversive of the rights of parliament, as we understand them, and as we would wish to maintain them. Certainly those of us on this side of the house would not countenance them for one minute.

As hon. members know there has been an effort time and again, more particularly in the House of Commons, to substitute for parliament in the right of framing a tariff some board which would have judicial or quasi judicial functions. That attitude has been persistently and consistently resisted by the Liberal party whenever it has been proposed in the past. It will be opposed with equal persistence and consistency in the future. We cannot for one moment agree that any tribunal of any character can be established with authority in any way to determine what is to be the tariff of the country, any more than any such tribunal would be permitted to have authority to determine any other tax which should be imposed upon the people of Canada.

Mr. YOUNG: Hear, hear.

Mr. MACKENZIE KING: I wish to state clearly that so far as the Liberal party is concerned, it is not prepared to place upon this section the interpretation which, if I have read his remarks correctly, Lord Hailsham has placed upon it. I am not in agreement with his view of the obligations imposed upon the government of the day as a result of powers given to the tariff board.

Mr. BENNETT: I think, Mr. Chairman, if the right hon. gentleman will be good enough to re-read the paragraph, coupled with the statement of the powers of the tariff board, he will have no difficulty whatever. The tariff board is a fact finding body. I think there was a general agreement in this house and, for that matter, at the conference that we could not substitute for parliament and its powers another body created by it. I can recall very clearly asking that the Tariff Board Act be carefully read by those who were concerned in its operation, and who were representing the United Kingdom. The Australian act, in a particular and general way will be, if it is not at the moment, clothed with practically similar powers. That may be said with respect to others as well. There is no intention to substitute for the powers of parliament those of a tariff board, it being a fact finding body only. Perhaps the right hon. gentleman may recall that from the discussion which took place in this house I heard Lord Hailsham's speech in Calgary and certainly I did not conclude from it that he had made any statement such as the right hon. gentleman has outlined. Perhaps the ex-Minister of Justice, who was also there, will bear me out in my statement. I did not conclude that Lord Hailsham was suggesting that the tariff board was to be substituted for parliament.

Mr. LUCAS: Will the facts as found by that tariff board be presented to parliament?

Mr. BENNETT: It would appear that the hon. member has not bothered to read the paragraph, because it states that they shall make a report to parliament. It was felt that that was essential so that public opinion might crystallize, if it is thought desirable, in one way or another. Therefore the report is to be laid before parliament.

Mr. HEAPS: I should like to ask the Prime Minister if he can tell the house whether or not the proposed tariff board will determine the exact percentage of protection which may be granted to any given industry?

Mr. BENNETT: That is a question which I am afraid I cannot answer. That is not the purpose of the tariff board. Its powers are mentioned in the statute, and there is added to it this additional provision, "that such report shall be laid before parliament and parliament shall be invited" to do so and so.

Mr. HEAPS: Article 13 states:

> Such report shall be laid before parliament and parliament shall be invited to vary wherever necessary the tariff on such commodities.

And so on. In other words, the board will determine whether a tariff should be varied or not. I was wondering whether they could say a percentage would be 10, 15 or 20 as the case might be?

Mr. BENNETT: It is not a question of recommendation. They do not recommend to parliament; they make findings of fact.

Mr. HEAPS: They will say whether a tariff is too high or too low?

Mr. BENNETT: The hon. gentleman must not place in my mouth words I did not use. I did not say that, and that is not what the act says. The tariff board shall ascertain the facts, as they must be found under the provisions of the Tariff Board Act, and upon that parliament will be invited to take such action as the section indicates.

Mr. HEAPS: Then if I may go a little further, its function will be somewhat similar to that of the old tariff board that was in existence until about a year ago?

Mr. BEAUBIEN: May I ask the Prime Minister a question? Article 13 says that the government of Canada as soon as practicable will cause a review to be made of the duties charged on any commodities specified in such request in accordance with the principles laid down in article 11. Article 11 says:

His Majesty's government in Canada undertake that during the currency of this agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition . . .

The question I want to ask is, suppose the tariff board arrives at a conclusion as to what is a proper tariff to give the United Kingdom producer full opportunity of reasonable competition in Canada, is the government in duty bound to put that recommendation into effect?

Mr. BENNETT: The section says that they will be invited to take such action as may be appropriate. The government of the day is not bound by the report, except as to the finding of facts. It will have the report of the board; the extent to which it will be necessary to vary the tariff to effect the purpose is a matter entirely within the discretion of the government.

Mr. BEAUBIEN: Does not that bind the government?

Mr. BENNETT: It binds it for one purpose, as I said the other evening, on the principle that protective duties shall not exceed what will give a fair opportunity to the United Kingdom producer to compete with the Canadian producer. Fair opportunity is the basis.

Mr. ELLIOTT: Who is to be the judge of the United Kingdom producer being given a fair opportunity?

Mr. BENNETT: The government of the day must assume that responsibility, based upon the finding of facts by the tariff board. I tried to make that abundantly clear; the tariff board is a fact finding body. It reports on facts. Then the government has said that on the statement of facts so found it will apply the protective principle only to the extent of giving reasonable opportunity of fair competition.

Mr. ELLIOTT: Is the tariff board expected to make some recommendation as to whether or not the duties exceed such a level as will give reasonable opportunity for fair competition?

Mr. BENNETT: That is not my understanding of what the tariff board is to find. It will find facts and facts only, and on those facts the government has pledged itself that it will act in a given way.

Mr. EULER: I do not desire to criticize the Prime Minister with regard to his interpretation of the duties of the tariff board, but I think he will admit that from the very circumstances of the case the tariff board is almost obliged to recommend certain action based upon the facts which they have ascertained. Because they will be the only ones who will have the knowledge and information upon which the government can act. The Prime Minister says that the tariff board is only intended to ascertain facts; quite right. But having those facts, who but the board itself can judge what action should be taken? I do not see how the Minister of Finance or the government, after certain facts have been ascertained by this board, can do other than take them as indicative of a certain rate of tariff. Take for example woollens; in order to give the British producer a fair opportunity in the Canadian market, the board make certain investigations, they must of necessity decide whether 20 or 30 or 40 or 50 per cent protection is sufficient to protect the Canadian industry. I do not see how the board could present those facts to the government in any other form than some sort of, call it recommendation if you like, some sort of suggestion at least as to whether the present or a different rate of duty on these goods is correct. I rather think that the Prime Minister is not quite fair to himself nor to the intention of the government when he says that there will be nothing by way of recommendation by the board. I quite admit that in the final analysis the government and parliament itself will have to come to the decision upon the matter. But I fancy that if this thing is going to be practicable the tariff board, as the only body which can have the necessary information, will make some pretty definite recommendations —you might as well use that word—as to what the rate should be.

Mr. BENNETT: That is exactly what they should not do.

Mr. EULER: How are you going to get out of it?

Mr. BENNETT: Exactly as the law provides. Section 4, subsection 6, reads:

Inquiries under this section shall be conducted in a summary manner in public, except as otherwise expressly provided in this or any other act of the parliament of Canada, and the

respective reports to be made pursuant to its provisions shall succinctly state the facts so ascertained; and each report shall be accompanied by a copy of the evidence, if any, taken, and by a copy of all information obtained in connection with the inquiry.

Mr. EULER: What would be the nature of these facts?

Mr. BENNETT: The facts brought to the attention of the board by those who ask for change in the existing tariff. Let us be practical about it.

Mr. EULER: Let us imagine a concrete case. Take the British manufacturers of woollens coming to Canada and making certain requests for reductions; I would like to know just what the tariff board would say to the government. What could they say other than that the tariff is too high or too low, by so much? I do not see how any other intelligent use could be made of the board. If the government does not agree with the board that the tariff should be increased or reduced by so much per cent they will simply not accept its recommendation. But, to be practical about it, I believe that the government is pretty nearly in the position of being obliged to ask that board what the decrease or increase should be. Call it recommendation if you like, I think that is what it amounts to, if you are going to make it work and have any teeth at all.

Mr. BENNETT: The last sentence of the hon. gentleman contains an expression used so often by hon. members without any regard to what it means.

Mr. EULER: Which is that?

Mr. BENNETT: "Teeth". This is a fact finding body. We are not now considering the tariff act; it was passed last year, after long discussion. But I will deal with the case put by the hon. member for North Waterloo (Mr. Euler), the case of a certain type of woollen goods; it is contended by the applicants that the duty is excessive. They then proceed to lay their case before the tariff board, to produce evidence and show what costs of production are, and that the tariff affords more than ample protection to enable their competitors in Canada to maintain efficient production.

Mr. EULER: Will the board not say, how much more?

Mr. BENNETT: Wait a minute. The Canadian producer proceeds to show his costs of production under efficient management and with efficient machinery. Then it is for the board to report those facts. It is only a matter of arithmetic for the government to determine what will give equality of opportunity and fair competition. But it is not the board's function to recommend that a certain duty be imposed.

I can however, conceive of a case arising in which they would have to find as a fact what the hon. gentleman suggests. If for instance, the applicant asked that the duty be reduced from 35 to 25 per cent and laid his case on the basis of 25 per cent being ample, the board has then to find whether or not a duty of 25 per cent was ample to meet the requirements of the statute, and if it found as a fact that it was, it would have no right to make a recommendation that the government should reduce the duty; that discretion rests with the administration of the day. But the board finds the facts, and it might in the case which I have just given find as a fact that a given rate of duty was sufficient for the purpose. It will be recalled that when we had the statute itself under consideration I produced half a dozen cases from the files of the American court and showed how they had prepared and laid their cases, and where the application had been to reduce the duty to a given figure how they had found as a fact that that would be sufficient to effect the purpose they had in mind.

Mr. EULER: I do not want to carry the matter further, but I think there is a distinction without a difference. If the board finds that a rate of 25 per cent is sufficient for the purpose required, I imagine that if the government acted upon that finding they would have taken it as a recommendation, whether or not you call it that.

Mr. CAMPBELL: I would like to ask just how the board are to determine the facts. Supposing two contrary arguments are presented before the board, one by a British cotton manufacturer and the other by a Canadian cotton manufacturer. In order to determine whether the arguments are facts will the board have authority to send men perhaps to England to determine the factors entering into the question?

Mr. BENNETT: The fact that the tariff board is to be used as indicated in this agreement does not in any sense add to or detract from its powers. The questions that now are being asked are questions that were asked last year when the bill was under consideration. This is not a discussion as to the merits or demerits of the Tariff Board Act. The

hon. gentleman must realize that when judges decide questions they do so on the evidence submitted, and that evidence is given under oath. This board is a judicial body charged with the responsibility of determining facts on the evidence submitted by the applicant or, it may be, submitted on the part of others, and the finding of facts, of course, must be predicated upon the evidence which it is the duty of those who use the tribunal to submit to it. That was all discussed when the statute itself was under consideration. This agreement is merely an indication that this body, now existent, is to be used for the purposes indicated.

Mr. ELLIOTT: If it is found by the tariff board that the duties do exceed such a level as will give United Kingdom producers full opportunity of reasonable competition, will the government introduce and submit to parliament legislation giving effect to that finding?

Mr. BENNETT: That is a matter which the government must consider.

Mr. ELLIOTT: The tariff board may find as a fact that duties do exceed such a level as will permit United Kingdom producers full opportunity of competition and, if they feel so disposed, the government may pay no attention to that finding of fact at all. Is that what I understand from the right hon. gentleman?

Mr. BENNETT: No, neither is that a correct statement. If the fact sought to be established by the applicant is that a given rate of duty is higher than is necessary to provide for fair competition and equal opportunity, then conceivably the board might find that fact. That is the fact which is reported to the government and to parliament, and the government then undertake to invite parliament to take such action as may be necessary to give effect to the principles mentioned by the hon. member for Provencher in connection with the preceding article.

Mr. RALSTON: I think the hon. member for North Waterloo is quite right in his submission that in effect there is a finding by the tariff board of the rate of duty which should be charged. It may not be a recommendation; it is not a recommendation according to the statute. It is a conclusion, but in reading article 11 it seems plain that this article must have been worded in conformity with the Tariff Board Act. Article 11, taken with article 13, provides in effect that the investigation shall be made as to the relative cost of economical and efficient production. According to section 4 (b), the Tariff Board Act empowers the board to make inquiry as to:

—the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production.

I submit that what the board does, as the right hon. Prime Minister suggests, is find as a matter of fact what actual duties are necessary to equalize that cost of production. Having done that it seems to me there is not very much left for the government to do but at least bring in the legislation based upon that finding, containing those very figures. So in the end the result is that the tariff board does make a finding at least, if not a recommendation, on which action is taken under article 13; really therefore, it is the tariff board which determines what action shall be taken under that article.

Mr. SPEAKMAN: It does seem to me that, without repeating the definition given by the hon. member for North Waterloo, the actual result must be as he has said. What will be the main fact to be ascertained by this tribunal? It must ascertain the percentage of difference which exists between the cost of production in Britain on the one hand and in Canada on the other, and that percentage will be the amount of tariff necessary to equalize the opportunities of both. It does seem to me that the basic and essential fact the board will be called upon to ascertain and determine will be that percentage of difference, which in effect is the rate of tariff necessary to equalize the opportunities of competition. If the government disagrees with that report and says those percentages are not correct, or if it declines to act upon the recommendation even though the percentages are correct, then it seems to me the government must take responsibility for its refusal. So far as action itself is concerned, however, it does seem to me that the fact to be ascertained will be the actual rate of duty which must be put into effect.

Mr. BENNETT: The section of the act to which the hon. member for Shelburne-Yarmouth referred, and which is being discussed by the hon. member for Red Deer, must be considered in relation to subsection (2) of section 4.

Mr. RALSTON: I referred to subsection (b) of section 4.

Mr. BENNETT: That has relation to the cost of efficient production in Canada and elsewhere, and what rates of duty are required to equalize those costs. That is one of many factors. Subsection (2) reads:

The board shall make inquiry into any other matter, upon which the minister desires information, in relation to any goods which, if brought into Canada or produced in Canada, are subject to or exempt from duties of customs or excise, and shall report to the minister, and the inquiry into any such matter may include inquiry as to the effect which an increase or decrease of the existing rate of duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation.

That is also part of the same section. I think it is fair to say that if the hon. member for North Waterloo merely means that the tariff board is seized with jurisdiction and power to find as a fact that a 10 per cent increase in duty would effect a certain purpose, or that the application to reduce the duty from 35 per cent to 25 per cent would bring about the result at which the statute aims, that jurisdiction and power clearly are there. I do not think there is any doubt as to that, but I was endeavouring to make clear that this board does not make a recommendation. The hon. member for North Waterloo says it is a distinction without a difference, but I will tell him why that distinction was observed both here and in the United States. It was for the very reason mentioned by the right hon. leader of the opposition, namely so as to not place within the power of this body jurisdiction to recommend a given rate of tariff or duty. They find as a fact that a 20 per cent duty would do so and so, or that a 30 per cent duty would do so and so. Then it is for the government to act upon it, as the hon. gentleman has said; and we do know that as a matter of fact, in half a dozen cases in the United States, no action was taken.

Mr. SPEAKMAN: That is absolutely correct; but it appears to me that article 11 of the agreement does somewhat affect the terms of the general act itself, because it limits the circumference of the work of the board, so to speak, to one point. It is focussed on one point in article 11, and in that it is differentiated from the general act under which the tariff board will be appointed. That one point is the percentage of duty which is intended to do one certain thing and nothing else, namely, to equalize the costs as between the two countries, and it eliminates from review, in dealing with these articles, all other considerations which are found in the Tariff Board Act.

[Mr. Ralston.]

It focusses attention upon and confines the duty of the board to the one point, the percentage of difference which may exist between actual costs of production in one country and actual costs in the other, and upon the actual percentage which will equalize these conditions and make for reasonable competition. It does modify the Tariff Board Act itself inasmuch as it eliminates from review all other considerations, and does focus the attention of the tribunal, in this regard, on that one point alone.

Mr. BENNETT: Percentage is not mentioned in article 11.

Mr. RALSTON: I wish to refer again to a question I brought up the other night in regard to the latter part of the last clause of article 11, which is incorporated as one of the principles referred to in article 13. It is set out in article 11 that, although His Majesty's government in Canada undertake that the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, the following proviso shall be operative:

Provided that in the application of such principle special consideration may be given to the case of industries not fully established.

On Friday night I asked the principles on which that special consideration would be given, and although I did not ask by whom, I was given the answer. The Minister of Trade and Commerce said, in reply to my question:

I have already intimated that the test will be applied by the tariff board under the principles clearly set forth in the Tariff Board Act.

Having looked at the Tariff Board Act, and having read article 13, I doubt whether the Minister of Trade and Commerce was correct; I am inclined to think that he was misinformed or misapprehended my question. Is not the special consideration, which is to be given there, special consideration by the government, having regard to the facts found by the tariff board, rather than special consideration by the tariff board itself?

Mr. BENNETT: The hon. gentleman will observe that the principle on which that article is applied is reasonable competition on the basis of the relative cost of economical and efficient production. It will be applied by the board. I should not think it would make much difference in actual practice

because it would have to be presented to the board in any event whether the industry was firmly established or only a newly established industry. I should think it would not be a very important matter, in a broad and general way, speaking of conditions as they are, but it was put there to protect this situation. I could tell the hon. gentleman of industries —I have not a list of them at the moment— that have come into this country during the last ten years on the tariff as it was.

Mr. CHAPLIN: The silk industry.

Mr. BENNETT: Silk is one of them, as my hon. friend from Lincoln reminds me.

Mr. STEWART (Edmonton): You don't suggest it needs more protection?

Mr. BENNETT: No, but it came into the country on the basis of the tariff and was so established. At the time we had a very small investment and now we have millions of dollars, and that proviso was added to the article in question so as to preclude the possibility of bad faith being imputed to parliament when, by reason of the existing tariff arrangement, an industry was established in which millions of dollars have been invested. An application to lower duties would be successfully met by the application of the principle that special consideration may be given the case of industries not fully established. The finding of fact would be that this industry had not been fully established and special consideration would therefore be given to it. The government would deal with the facts as found.

Mr. RALSTON: I think the special consideration is really given by the government rather than by the tariff board.

Mr. BENNETT: As a matter of law, it would be open to both interpretations.

Mr. RALSTON: But in practice.

Mr. BENNETT: Well, in practice, in the first instance, it would be applied by the board and secondly by the government. Both must exercise that power, because the finding of fact would be that this was a new industry and was therefore entitled to special consideration.

Mr. CHAPLIN: May I point out that the silk industry was established in Canada quite recently, during the period that the late government was in office. They were the ones that imposed the tariff on artificial silk; they are the people that built up the industry. I just want to call that to the attention of the leader of the opposition.

Mr. YOUNG: Can the Prime Minister tell us when an industry may be said to be fully established?

Mr. BENNETT: That question was discussed the other evening and I do not intend to traverse it again; there are rules of the house which would forbid my doing so. It was fully discussed. The hon. gentleman is a great reader, and I might refer him to what John Stuart Mill said on that subject. He would find it much more interesting than any observations I might make and, moreover, he would regard it as much more authoritative.

Mr. YOUNG: Would it not be possible for any industry which the tariff board might find to be inefficient to make the plea that it was not fully established?

Mr. BENNETT: It would be possible for the hon. gentleman to contend that he was a strong protectionist. It is always possible to make any contention. Those of us who have listened to the hon. member realize how fully and amply he can develop any suggestion and with what strength of conviction he can express his views.

Mr. YOUNG: But I would not have as much influence with the government as some of these industries have.

Mr. BENNETT: I should hope not, for in one instance we are endeavouring to build up the country, whereas in the other the endeavour is to destroy it.

Mr. YOUNG: Not at all.

Mr. STEWART (Edmonton): That is a matter of opinion.

Mr. BENNETT: Not a bit; it is a matter of fact.

Mr. MACKENZIE KING: May I ask the Prime Minister whether the government will give to Canadian interests the same undertaking that has been given the British government with respect to the right to appear before the tariff board. Article 13 reads in part:

> His Majesty's government in Canada undertake that on the request of His Majesty's government in the United Kingdom they will cause a review to be made by the tariff board . . .

As I recollect the provisions of the Tariff Board Act, and what was said at the time that measure was under discussion, the effect was that no matter would be referred to the board, so far as Canada was concerned, except at the instance of the Minister of Finance; in other words, the discretion rested with the Minister

of Finance as to whether an application for review would be passed on to the tariff board. That is quite different from what is being done in relation to British industries. With respect to British industries, this provision makes it mandatory upon the board to have a review of any matters which the British government may request to have reviewed. If I am wrong in that I should like to be so advised.

Mr. BENNETT: The right hon. gentleman realizes, I think that so far as we are concerned we entered into an agreement. It has already been said that duties are highly protective—too high according to the hon. member for Weyburn and others. We say we have made changes in these tariffs ourselves and reduced them, but will leave the matter to be settled by the board; and the government of the country affected, namely, the United Kingdom, will make a request of us. We will honour that request because we have every confidence that it will be made on the sound business principles which govern the requests from one government to another country. It will be recalled that last year when we were discussing this matter the question arose as to the right of audience of those who might desire to be present merely for irritation purposes. This section contemplates information, not irritation and a distinction is made between the requests of a government and the requests of irresponsible parties. I think the right hon. gentleman will realize that when you are dealing with governments you are dealing with bodies which will not needlessly take up time or cause expense.

Mr. MACKENZIE KING: What the Prime Minister has just said might have come more appropriately from someone who has not so definitely and strongly advocated a Canada first doctrine. I cannot see why Canadian interests should not have equal rights with British interests before the tariff board, whether or not those rights have to be exercised via the British government or by any other route. This section clearly gives to British industries a right which may be denied to Canadian industries or to different classes vitally interested in Canada. For example, should an organization representing the agricultural interests of Canada wish to make application to have certain customs duties reviewed there is no undertaking whatever by the government that its request would ever reach the board. The Trades and Labour Congress of Canada might ask that certain duties should be reviewed—there is no undertaking on the part of the government that the matter so requested would be referred to the board for investigation and report. Such an undertaking is however, given in connection with requests received from British industries through the British government. This is an unfair discrimination in favour of industries in Great Britain as against our own and in favour of interests in Great Britain as against the interests of the Canadian public and the Canadian consumer.

Might I direct attention to another objection which I have to this section. The article states that when any matter is investigated by the board, they shall deal with it in accordance with the principles laid down in article 11. The study of article 11 makes it pretty clear that the business of the board is to keep the protective principle in the tariff. Article 11 reads:

> His Majesty's government in Canada undertake that during the currency of this agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give . . .

And so on.

I venture to say that any duty which is not absolutely prohibitive will be regarded by parties who so wish to regard it as being in the nature of a competitive duty. If there is a very thin margin between what is completely prohibitive and what is not, that would be considered as permitting competition and thus as bringing the situation within the principle which this board is to maintain with respect to the tariff. The purpose of this article is to give rigidity and fixity to high tariffs, and as such I am strongly opposed to its provisions.

Mr. BENNETT: The British government makes application to the government of Canada that the board shall deal with an application on behalf of, we will say the woollen industry, to reduce the tariff from one rate to another. The consumer in Canada applies to the Minister of Finance to ask that the board shall consider a certain matter. There is an undertaking in this agreement on the part of the Canadian government that it will refer to the board a request received, not from a British manufacturer, but from the British government. It does not follow that because a British manufacturer asks the British government to do this, the government will. That matter was clearly discussed. The British government has some idea of what is involved in the way of expense and of the serious character of these hearings and the effect they will have upon industry. As far as Canadian applications are concerned, very often they are purely for the purpose of irritation. I use that word deliberately because I happen to know of some of the applications made to the Minister of Finance under my right hon.

friend's administration. Some of those applications were made purely for the purpose of causing annoyance. The Minister of Finance must take his chance in this house of refusing or granting an application. The Canada first doctrine applies here if it ever applied anywhere. A Canadian makes his application to his Minister of Finance who is asked in the house, "Did you receive such an application?" He replies, "I did", and he is then asked, "Did you grant it?" He says, "No", and he is then at the bar of public opinion as far as deciding whether or not this government was sound in the position which it took. So far as concerns the procedure in dealing with a government which has made the concession of free entry of the entire products and commodities of this country, manufactured or otherwise, the British government will, first of all, determine whether or not it shall accept the responsibility of sending forward a request from a manufacturer. If it thinks well of that request and makes it with all the responsibilities which are involved, this government will afford an opportunity of a hearing before the board.

Mr. MACKENZIE KING: I should like to ask one further question in connection with the effect which in practice it will really be possible for the tariff board to give the provisions of this article, having regard to the business generally of a tariff board. The Prime Minister has some knowledge of the length of time it takes to investigate technical matters, particularly where those matters refer to conditions which exist in other parts of the world as well as in Canada. Will it be humanly possible for any tariff board which is appointed to do more than review a very few items in the tariff in the course of a year? Unless it is, this provision becomes largely meaningless as rendering any kind of advantage to those who may seek to have these applications placed before the board for review. There was some discussion recently in connection with what had taken place in the United States under a similar provision in the act governing the tariff board of that country, and a statement was made of an authoritative character to the effect that during the two years the United States tariff commission had been investigating commodities, only seventy-three out of thousands had been investigated. The commission had been working morning, noon and night and that was the sum total of their efforts during two years. Among the articles investigated were pipe-organs, peppers, egg plants and bicycle bells. A careful estimate had shown that if the tariff commission of the United States undertook to complete its examination of the schedule, it would take until the year 2005. I shall drop the five but, shall venture to say that it will take to the year 2000 for any tariff board to go through our tariff schedule and investigate its items one by one. I believe this clause will be largely meaningless or fruitless in practice.

Mr. BENNETT: I am sure the right hon. gentleman knows that it is not contemplated that the items in the tariff shall be taken up and investigated one by one. That is the reason why this agreement provides that the request for a hearing shall come from the British government. It is obvious that the British government with its sense of responsibility will limit the requests to matters which it believes to be of such importance as to warrant action being taken. That is the reason why I explained to the house last year that we were limiting applications to those upon which the Minister of Finance would pass. That was provided in the measure under consideration last year, it was provided that it should be a summary application. I venture to suggest that in a single week many, many cases will be disposed of. Once notice is given and application had of the matter to be reviewed, the summary disposal of the matter will narrow things down. If it is so desired, these matters can be dealt with great rapidity. I am bound to say that I do not contemplate the kind of hearing which took place under the former tariff board; I may be wrong, but that is not the sort of thing I contemplate will happen. In any event all this discussion might, I think, properly be said to have been anticipated last year when we were dealing with the tariff board itself, and I have still sufficient confidence to believe that the people who are responsible for making applications will not make them needlessly. The British government will make them carefully and after much consideration and they will be disposed of with great rapidity in a summary manner.

Mr. STEWART (Edmonton): I do not see very much difficulty about articles 11 and 13. I think the cast iron provisions that are contained in the tariff legislation will prevent any board of any kind from at least reducing the tariff very materially. As for the British manufacturer who goes to the British government and convinces them that he has a case against the Canadian industry whereupon they in turn consult with the Canadian government and get the latter to believe they have a case, ths manufacturer will be dead and buried about ten years before there are any results.

Mr. BENNETT: O, ye of little faith!

Mr. STEWART (Edmonton): I do not think the article will do any harm to anybody; we can depend upon it that it will certainly do no harm to the Canadian manufacturer. He will enjoy for at least five years the duties fixed in the schedule now in force under the agreement. There seems to be a great deal of care taken to protect Canadian manufacturers; they are one group of gentlemen in Canada who to the fullest extent enjoy special privilege by legislation, and every means that can be devised to protect them, whereas those who are not so fortunate as to be engaged in those industries must take their chances. I suppose this will always continue to be so.

Mr. YOUNG: I cannot conceive of anybody going to the expense and trouble of carrying a case to the tariff board merely for the sake of irritating the Minister of Finance. I think the Prime Minister's statement that such was the case deserves a little explanation.

Mr. BENNETT: Carried.

Mr. YOUNG: We want to know who did that.

Mr. BENNETT: Conscience makes cowards of us all.

Mr. YOUNG: Conscience does not make cowards of us all. We want to know who is meant.

Mr. BENNETT: I did not say the Minister of Finance; I said for the purpose of irritation.

Mr. YOUNG: The Prime Minister also said: "Conscience makes cowards of us all." I should like to know who are the cowards. He will not tell us.

Mr. MITCHELL: I should like to make an observation in connection with the composition of the tariff board. In the House of Commons in Great Britain when this question was being discussed, Mr. J. H. Thomas, Secretary for the Dominions, said that the tariff would be on the basis of raw material, social service, wages, standard of living, capital expenditure and overhead. On Friday we had a great deal of discussion about textiles; much loose talk and suppositious facts and figures were bandied around with respect to wages and working conditions in Great Britain as well as in Canada. In this country we have probably reached a far higher degree of mass production than they have in the old country and when wages in this dominion are being discussed, that fact should be taken into consideration. The thought passes through my mind that this is possibly the first time—and I stand subject to correction—that wages and standards of living will enter into discussions before the tariff board. Therefore I would suggest to the government that in the composition of this board, the vital factors in the life of this country be considered, such as agriculture, labour. I do not know of any other two great forces in this country more interested in the proper composition of the tariff board unless possibly the consumer and the manufacturer. If this board is going to do the work planned for it, these vital factors should be represented in its personnel.



The CHAIRMAN: Carried.

Mr. MACKENZIE KING: Under protest.

On article 14:

His Majesty's government in Canada undertake that no existing duty shall be increased on United Kingdom goods except after an inquiry and the receipt of a report from the tariff board, and in accordance with the facts as found by that body.

Mr. MACKENZIE KING: This is asking us to countenance a principle to which, unless the House of Commons is prepared to surrender wholly its control over fiscal policy, it will not submit for a moment. It is quite true the article has been drafted in this case so as to apply to any increase of tariffs, but once the House of Commons has approved the principle of acting only at the instance of a tariff board and in accordance with its recommendations, we shall find that on some other convenient occasion a clause similarly worded will be introduced into the house, and the only difference between it and this article will be that instead of the word "increase" there will be the word "decrease," so we shall then discover we are committed on principle not to decrease any duty of any kind unless first of all the item has been referred to a tariff board and the board has reported upon it. Then we shall be asked to act in accordance with the facts as found by that body. That is a principle with which I do not believe anyone on this side of the house would agree for a moment, and I should be very much amazed if hon. gentlemen opposite would agree to it because it is a thoroughly unsound and untenable position to seek to maintain.

Mr. BENNETT: I do not think my right hon. friend is too serious about that. Let us look at the matter for a moment. My right hon. friend and the hon. member for Weyburn say that they are opposed to these agreements because they have increased the tariff; they say that tariffs in Canada are so high that even to think of increasing them is impossible. We are saying now that we shall not increase them against Great Britain unless the tariff

board finds facts that warrant such action being taken. In other words, we have met the views of hon. gentlemen opposite to the extent of agreeing not to increase tariffs unless an independent tribunal finds facts that warrant such action being taken. The right hon. gentleman is difficult to please. We have endeavoured to please him. Let us not talk about decreases until we have to meet them; we are talking about increases. Sufficient unto the day is the evil thereof. It is very nice to stand up straw men in order to have them knocked down, but they do not serve any purpose in dealing with this agreement. We are dealing with an increase which we say this government will not ask the house to make unless a body created by parliament has found facts that warrant such increase. I am sure, on consideration, the hon. gentlemen will welcome this. It prevents an increase in tariffs without a finding of fact by this tribunal. Everybody, especially on the other side of the house, should welcome it and rejoice and be exceedingly glad that there is to be no increase in the tariff except after an independent body has found facts to warrant it.

Mr. MACKENZIE KING: While, as my right hon. friend knows, I am not opposed to anything that will help to reduce duties where they should be reduced, I am strongly opposed to the principle of having a tariff regulated by a tariff board, and that is what is at stake in this article. Its application extends away beyond even the various items that are mentioned in schedule E. It applies to all commodities that come from Great Britain to Canada. I can conceive quite readily of an instance where next year, or the year after, for reasons arising out of some change in conditions in this country or to meet some existing need of expense or otherwise we might wish to increase certain duties, even against Great Britain. If we should desire so to do this House of Commons should be perfectly free to act. We should not in any way fetter our rights to deal with the tariff as we think best, in the light of Canadian needs and conditions. The fact that at this moment the article is worded so as to relate only to an increase of duty does not affect the underlying principle one iota. But even if it stood only in relation to an increase, without the possibility of later on being cited as a precedent governing the method of regulating tariffs, I should be opposed to it on the score that, having regard to the changing conditions throughout the world in industry and trade, it is impossible to say whether, two, three or four years hence it might not be desirable to place some duty for purposes of revenue or otherwise against some particular articles, and even against goods coming from Great Britain. It might be desirable to raise duties in one direction and lower them still more in another. It is perfectly clear that only on the basis of having absolute freedom to deal with the tariff as this House of Commons deems best, and getting as far as possible away from the idea of having tariffs made by some external authority can the house preserve its control over taxation.

Mr. BENNETT: I am sure every hon. member in this committee must be greatly obliged to the right hon. gentleman opposite. He now has established the thesis upon which this government has been operating for two years. He has said conditions may arise in the next year or two, in these days of stress and strain, when it may be necessary to increase duties on goods coming to this country even from Great Britain. It is a most, shall I say, flattering compliment which has been received by the government. I note the loud applause with which the statement is received by the hon. member for Weyburn, and we are all happy to think that there is unanimity in understanding that it might be necessary to increase duties against Great Britain. The only difference between us is this, that in the one instance it would be log rolled, and in the other instance the board finds the facts upon which action is taken. We make it a condition precedent to any action being taken, before raising a tariff against Great Britain, that the facts shall be found by the tariff board. But the right hon. gentleman opposite says that is not the way to do it, that conditions in this country may be such that we may want to raise duties against Great Britain without finding facts at all by a tariff board or anybody else.

Mr. MACKENZIE KING: The Prime Minister may interpret my remarks in any way he wishes. The text will speak for itself. The difference is between fiscal freedom and the denial of fiscal freedom.

Mr. NEILL: This section prevents the government increasing any existing duty, but apparently it does not apply to any condition where no duty exists. Therefore a duty could be introduced where one does not now exist. Should it not read that "no duty shall be imposed or increased"?

Mr. BENNETT: I am sure the British government and British people will be greatly obliged to the hon. member for advocating their rights in this connection.

Mr. YOUNG: And our rights.

Mr. BENNETT: No, not so much our rights, in that regard. They were content with the provision as it reads, and we are asking parliament to accept their view of it.

Mr. NEILL: It is sloppily drawn.

Mr. RALSTON: There is another point to consider. We will suppose the government desires to impose a duty and refers it to the tariff board. Under section 4 (b) of the Tariff Board Act the board brings in a report in which they say, "We believe the duty should be increased by so much." Hon. members on this side of the house oppose the increase, and suggest that the tariff board are wrong in their finding of fact. The government will have the right to say, and will be in the position where they will have to say to the opposition and to the country, "We are sorry; we may agree with you that the tariff should not be increased so greatly, but we are bound by our agreement with the people in the United Kingdom to increase this tariff in accordance with the finding of the tariff board."

Mr. STEWART (Leeds): That is not according to the facts at all.

Mr. RALSTON: The facts found are:

What increase or decreases in rates of duty are required to equalize differences in the cost of efficient production.

Mr. BENNETT: That is only one of several.

Mr. RALSTON: That is one which will be found. If the tariff board finds what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production, then I say, by reason of the agreement with our friends in the United Kingdom, we are bound hand and foot to the findings of the tariff board, and we simply must act as a rubber stamp.

Mr. SPEAKMAN: I suggest my criticism of the government is the very opposite from that attributed by the Prime Minister to the leader of the opposition. I put it in a very safe and careful manner. My criticism would be not that in the future they were going to refrain from raising duties without first ascertaining the facts, but that in the past they have raised the tariff so frequently and substantially on the basis of no facts at all, or that they have raised the tariff and taken drastic action without ascertaining the facts.

The CHAIRMAN: Shall the article carry?

Mr. MACKENZIE KING: Under protest.

Article agreed to.

[Mr. Young.]

On article 15:

His Majesty's government in Canada undertake that United Kingdom producers shall be entitled to full rights of audience before the tariff board when it has under consideration matters arising under articles 13 and 14 hereof.

Mr. MACKENZIE KING: I should like to point out that privileges and rights are accorded to producers in the United Kingdom that have been, are and will be denied to producers in Canada.

Mr. BENNETT: Oh, no.

Mr. MACKENZIE KING: Oh, yes. The article is as follows:

His Majesty's government in Canada undertake that United Kingdom producers shall be entitled to full rights of audience before the tariff board when it has under consideration matters arising under articles 13 and 14 hereof.

Articles 13 and 14 deal with the tariff schedules, and commodities coming in from Great Britain. I ask the Prime Minister this question: Will he undertake to give to the Canadian producers the right to appear before the tariff board and be heard on any matter affecting tariffs between Great Britain and Canada?

Mr. BENNETT: The right hon. gentleman apparently confuses the agreement and the statute. By agreement we have undertaken that the British producer shall have the opportunity to be heard before the tariff board. As it stands now the Canadian producer, without agreement, has that right by statute and by practice of the court.

Mr. MACKENZIE KING: He has the right?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Only if the minister refers the matter to the board in the first instance.

Mr. BENNETT: That is the way it gets there.

Mr. MACKENZIE KING: If the minister does not permit reference the producer has no right or power whatever.

Mr. BENNETT: That is another matter. He must take his chance in referring it, but once it is referred the provision is:

The board shall give reasonable opportunity to persons who may not have been summoned, to appear before them and give evidence upon oath or solemn affirmation as aforesaid, on any matter relevant to an inquiry then being held by the board.

I shall not discuss the matter at length, but I remember that last year the hon. member for Weyburn asked whether or not any one

would be permitted to appear. We pointed out there must be some restriction. Producers affected have the right to be heard, and are parties to the application.

Mr. RALSTON: Will the Prime Minister explain to the committee the distinction which he makes between the principle laid down in article 15 and that which he so vehemently asserted in 1928? His position was referred to a few days ago by the hon. member for Vancouver Centre. The words of the Prime Minister, quoted by the hon. member for Vancouver Centre, are to be found in Hansard of March 13, 1928, as follows:

> Do you realize, sir, that for the first time in the history of Canada, people outside of this country have assisted in determining what our tariff shall be? I have under my hand the briefs that were filed with the tariff board. By whom are they filed? The first brief on the woollen tariff schedule was filed by representatives of the Canadian Woollen and Knit Goods Manufacturers and there were also filed observations on the brief presented by the Canadian Woollen and Knit Goods Manufacturers, by the wool textile delegation of England on behalf of the federations and associations who are its constituent members.
> Mr. Young (Saskatoon): Does the hon. member object to that?
> Mr. Bennett: I certainly do. I object to any man who is not a Canadian having anything to do with fixing our tariff.

Then he goes on on page 1258:

> Do you suppose, sir, for a single moment that the great republic of France, in fixing its tariff, would have Canadians tell them how they should deal with it? Do you suppose, under the Safeguarding of Industries Act, the government of Great Britain would rely upon the attitude taken by Canadians as to how they should shape and form their tariff?

Then he continues:

> That is his story, but now he approves of these men not bringing factories to Canada but endeavouring to influence the members of the tariff advisory board as to what protection our industries should have.

I want to commend that to my right hon. friend, and ask him what makes the difference between the principle enunciated by him then and his position as taken today and his expression in article 15.

Mr. BENNETT: I fancy from the looks on the faces of some of the hon. gentlemen's colleagues that they have anticipated the answer. In the one instance we got something for it, in the other they had no right there. They have a right there now because they have given to us the right of free entry into their markets for everything we produce, as against the foreigner who has to pay from 10 to 33⅓ per cent. In addition there are certain other concessions granted to us that I will not refer to. And as one quid pro quo, amongst others, we said that inasmuch as you think our tariffs are high, they are to be considered by the board which we have set up, and you may have the opportunity to be heard there; because the basis upon which you are giving us what you do give us is that we say we will let you come here on terms of equality of opportunity and fair competition. But we say that a government is not the best institution in the world to arrive at that, therefore last year we set up a body to do it, and having set up that body we will permit you, being directly concerned and affected by contract in the matter, to present your position before that board in any way you please.

Mr. RALSTON: Let me tell my right hon. friend that there is no contract in regard to about 800 items in our tariff schedules; there is in regard to 223 only. But my right hon. friend provides here that if we raise duties in regard to any one of the 1,100 items the producers of those goods have the right to come here and protest.

Mr. BENNETT: That is also part of the bargain.

Mr. RALSTON: I find nothing in the contract by which we undertook to give a preference to Great Britain in regard to more than 223 articles. I shall be much interested to know of it, because it seems to me we have done enough in the way of binding ourselves in the tariff as it stands.

Mr. BENNETT: That is not what I said. The hon. gentleman must not look upon this in the way in which a distinguished counsel, Baron Parke, once treated a special demurrer, as a question of the way you dotted your "i's" or crossed your "t's." What we say is that as part of the bargain, the contract, the agreement set out here, we have made these arrangements, and we think the consideration we have received for doing so is ample.

Mr. MALCOLM: I find the Prime Minister's remarks on this item more or less at variance with his remarks a few minutes ago on a previous item. I was glad to have the Prime Minister point out that so far as the tariff board was concerned it was after all only a fact-finding body, and that questions of policy must be decided by the government. However, I judge from his remarks now that if the United Kingdom manufacturers should succeed in establishing before the tariff board that they are entitled to a lower rate of duty the government by this clause more or less commits itself to act upon the finding of the board.

Mr. BENNETT: No, this is only giving the right to appear before it. I think you are dealing with another article.

Mr. MALCOLM: I took it that the Prime Minister's last remarks were to the effect that, as part of the bargain, under the agreement which we are discussing, in consideration of the free entry into Great Britain of certain Canadian commodities on which a duty has been established as against foreign countries, the Canadian government in effect said to the British producers: If you think that the duties against your commodities coming into Canada are too high, we will give you the right to appear at any time before the tariff board and establish that fact, on any commodity whatever, regardless of whether or not the commodity was dealt with in the agreement. I take it from what the Prime Minister says now that if the fact is so established by the British producer, the government will act on the facts as found by the tariff board.

Mr. BENNETT: No; if I may say so I think the hon. gentleman is confusing two things. We are now dealing with the right of audience, article 15.

Mr. MALCOLM: I was dealing with my right hon. friend's statement.

Mr. BENNETT: Article 15 is the article giving the right of audience before the board. We say: You have given us certain things, for which we will concede to you the right of being represented, if you so desire, before the tariff board. The hon. gentleman has forgotten what I said before, that the agreement provides, not that the producer shall come to the board in the first instance; it is the British government which makes application. When the British government has made the application, after considering whether it should or not, then the Minister of Finance sends it to the board, and the board accords right of audience to that producer, that is all. With respect to some of these items it is clear there is no likelihood of appeal. On others there might be. That is a matter for the government to decide in the first instance, and then the producer has the right of audience.

Mr. MALCOLM: What value is the right of audience to the British producer if when he has had his audience and established his case the facts as found are not to be acted on by the government?

Mr. BENNETT: Exactly the same right as the cement producers had before the late tariff board. That I think will be a conclusive answer. It does not follow that because you are represented in court by a counsel you win your case. It may follow that the plaintiff wins, who has a very poor lawyer, and the defendant, who has a good lawyer, loses. The right of audience is the right to present your case just as you please. The judgment of the court will depend upon its appreciation of the evidence. The action of the government will be governed by two factors; first the government's general policy, and second, public opinion. By reason of the laying on this table of the proceedings, and findings of fact by the board it will be influenced by public opinion outside the house and public opinion within.

Mr. MALCOLM: I am much obliged to the Prime Minister for his last few words. After all it comes down to this that the government does not bind itself in any way to grant the request of the British producer, but only to grant him audience. Even though he makes a fairly good case, even though the tariff board as a judicial body finds his facts are well-established, even then the general policy of the country may direct the actions of the ministry in another course.

Mr. EULER: Would that be keeping faith?

Mr. BENNETT: That is not exactly what was said. If it had not been for the remark of the hon. member for North Waterloo (Mr. Euler) I should not have risen, but this desire to try in every way possible to make it appear that someone is going to break faith—

Mr. EULER: No.

Mr. BENNETT: Well, before the hon. gentleman who was speaking had sat down the hon. member for North Waterloo said "Would that be keeping faith?" He is looking for some breach of faith on the part of someone with respect to an agreement that they say has no value. One day it has no value; it is very valuable the next. If you do not do exactly as hon. gentlemen desire, it is a breach of faith. Why do we not get beyond that? I say that very frankly. The principles that govern are set out in this agreement; the British people, who were well represented and capable of taking care of themselves, thought this ample for their purposes. We have endeavoured to protect the interests of Canada to the best of our ability, as they expected we would do, as we believe we have succeeded fairly well in doing, and as they believe they succeeded fairly well in doing for their country.

Mr. MALCOLM: I am glad the Prime Minister has established so firmly in the minds of everyone who is listening the fact that after all the question of tariffs cannot be settled by the tariff board; that there can be no machinery provided that will take away the right of the House of Commons finally to fix tariffs. I am very glad of that.

Mr. CHAPLIN: We have always agreed on that.

Mr. MALCOLM: So long as my hon. friend and I are in agreement I do not think there can be any difficulty about it. I do feel, however, in connection with this right of audience which the Prime Minister grants the British manufacturer, that if it is a part of a bargain and he does establish facts, it really has not a very great deal of value if the general policy of the government is not in accordance with the facts so determined. I think it might as well be taken out.

Mr. BENNETT: Why contemplate a situation that has not arisen? Why assume that someone will act differently from the way the hon. gentleman himself would act if he were a member of the government? Why assume that someone desires to do a dishonourable thing, to quote the language of the hon. member for North Waterloo? Why not assume that the government would act as decently in regard to this matter as any other government would act?

Mr. MALCOLM: It is not a matter of decency; it is a matter of policy.

Mr. BENNETT: My hon. friend asks what is the sense of doing this if the government is going to do so and so. Why talk about contingencies that may never happen, and events that may never take place?

Mr. EULER: The Prime Minister has given a perfect example, I think, of how remarks may be misinterpreted merely by the inflection of the voice. When I asked whether that would be keeping faith I was voicing exactly the argument set forth by the Prime Minister early in the discussion of this agreement. There were certain points which perhaps were not clearly set out in the agreement, and the right hon. Prime Minister made something of a fuss, if I may use the word, in stating that the government had conducted these negotiations with the British government in good faith, and that if everything was not absolutely covered he knew the British government would keep faith, just as this government would. Now when we talk about the ascertaining of facts—and the discussion had turned pretty much on that phrase—I will say this: While parliament must keep absolutely within its own control the changing of tariffs, whether up or down, I do say that unless there is some very special reason why they should not do so, the government should act according to the suggestion or recommendations, if you like, of the tariff board which has ascertained those facts. If, except for some very good reason, the government do not act upon those facts so ascertained, they will not be keeping faith no matter what the Prime Minister says. He referred to those words and gave a peculiar intonation to a more or less impromptu remark of my own. I do not want to have those words construed by my right hon. friend or anyone else as suggesting for one moment that there is any breach of faith on the part of the government.

Mr. RALSTON: I think the Prime Minister will agree that with regard to articles 13, 14 and 15 the agreement is perhaps a little obscure. That is what has led to some of the differences with regard to the right of audience. I think I have the meaning; I think article 13 refers to cases in which the British government itself may initiate a review of the duties on commodities which they may specify. They may ask for a review to find out whether or not the principle set out in article 11, that is, that there shall be an equality of opportunity, is being lived up to. The next section is entirely different. As I understand it, the British government do not institute the hearing before the tariff board. That is instituted by the Canadian government itself or by someone applying for a change in the duty. Then there is a provision to the effect that the British producers who are interested may appear before the board.

Mr. BENNETT: That applies to both sections.

Mr. RALSTON: I am referring only to the initiation of the hearing. Under article 13 the British government initiates the review, and I take it that only through the instrumentality of the British government would a producer have the right to appear. Under article 14 the Canadian government, or someone in Canada, initiates the review and asks for a change in the duty, in which case there is no intervention whatever by the British government, so far as I can see. Under section 15, however, the British producer is entitled to an audience.

Coming back to the words of the Prime Minister a little while ago I submit that this is an infraction of the principle he has laid

down. He says the reason for it is that the British have paid for this right of audience by giving us what has been given in the agreement.

Mr. BENNETT: And they have a direct interest in it.

Mr. RALSTON: I cannot conceive how their interest would be more direct now than it was before. Just as it was before, the duty is still being imposed against those goods. However, the Prime Minister says they have purchased that right of audience, and I take his word and leave him to be judged as to that distinction. But this does give the right of audience direct to the British producer, without regard to the intervention of the British government. The moment the British producer learns that an application is being made before the tariff board he may exercise his right to be heard.

Mr. BENNETT: My memory of the discussion with regard to that article is this: Obviously the British government could not be represented before the tariff board as such, but the producers, being the people affected, would be able to be represented. The provision is to remove all doubt as to their right to be there.

Mr. MACKENZIE KING: It seems to me that the really important point in connection with this article is what it is expected to secure to the British interests which are to have the right to appear. Perhaps at this point more appropriately than at any other I can refer more specifically to what Lord Hailsham said in Calgary. I did not have the opportunity to hear Lord Hailsham, as my right hon. friend and the ex-Minister of Justice did, but his address was published in full in the Fortnightly Law Journal of September 15, 1932. At page 67 of that journal I find the following paragraph, which deals with Lord Hailsham's conception of the powers of this tariff board and the obligations which it places on the government and the parliament of Canada:

> . . . in the dominions a tariff tribunal shall determine what is necessary to afford protection in accordance with these principles, and the government undertakes to take the necessary steps to give effect to its findings of fact. I think a lawyer above all ought to be able to appreciate the importance of ensuring that there shall be an impartial investigation and a decision on facts, and I think the politician ought to be able to appreciate the importance of taking the tariff as far as possible out of politics. It may be said that these provisions leave the whole efficiency of our principles to the mercy of a tribunal, and that is true. It is no good having good laws unless you have an efficient and reliable tribunal to administer them, but ladies and gentlemen, I believe it to be true that one of the greatest assets of the British commonwealth of nations is the impartiality and high standing of the tribunals, and I believe that there is nothing which has helped more to establish the reputation of British justice and British freedom throughout the world than the confidence which every man feels in the fairness of the tribunals and the fairness of the decisions which they render, and I can imagine nothing which is better calculated to ensure the success of the principles which I have enunciated than the knowledge that a Canadian tribunal in Canada is impartially to investigate the facts and a Canadian government is going to be the government which is going to give effect to the findings of fact.



That, Mr. Chairman, is simply a statement that so far as this tariff board is concerned, to all intents and purposes it is to be a judicial body, similar to the supreme court or any court in the land. It is to give decisions based on the facts, and the government are obligated to carry out those decisions. What ever we may say with regard to the duties of the courts in deciding matters which come before them, whether they be matters of civil right or criminal matters we must admit that the field of the judiciary in relation to the administration of the law is one thing, while the field of parliament in relation to the making of laws is quite another and fundamentally different one. Any interpretation which involves a surrender, as this interpretation does, of the rights of parliament to a board which is to be a judicial body, and which is to say what customs duties shall or shall not be imposed, runs wholly counter to the fundamental principles governing the imposition of customs duties and other forms of taxation as stated this afternoon by the Prime Minister as well as by those on this side of the house. So long as we are in agreement that this parliament is perfectly free to do as it pleases with duties where they refer to matters that have been submitted to the board and is not, as Lord Hailsham says, obligated to carry out any decisions of the board, I have nothing further to say; but I think it is very important that the people in Great Britain as well as in this country should realize that one interpretation is being placed upon this section by Lord Hailsham in England while another and quite different interpretation is being given it by the Canadian parliament.

Mr. SANDERSON: A few moment ago the Prime Minister said, "We have formed this body," meaning the tariff board. I would point out that the board has not yet been formed. About the first act that this government did after coming into power was to scrap the tariff board which had functioned under

the late administration, and hon. gentlemen opposite said that they were going to institute a new tariff board that would be a tariff board, in the words of the Prime Minister. Yet they have waited, from 1930 up to the present time, without forming the board, and now at this late date the Prime Minister stands up in this house and says, "We have formed this body". I repeat, they have not formed it yet. May I ask the Prime Minister now a question which I put to the Minister of Trade and Commerce last Friday when one of the tariff items was under consideration: Why has the government waited all this time without forming the tariff board? Why did they not form it so that it might review all these questions of the tariff, as between Canada and the United Kingdom, prior to the conference? It is only camouflage, and they are prolonging matters to help their friends who are in favour of high tariffs. I would ask the Prime Minister in all seriousness: Why has he delayed forming this tariff board, or advisory tariff board, or whatever he calls it, until this late date?

Mr. BENNETT: The hon. member was not in the house this afternoon or he would have heard the whole story at length. I do not think it is necessary to repeat it beyond saying that the tariff advisory board under the late administration was formed by order in council for which there was no sanction by statute, and the chairman of the board having resigned and having been elected to parliament, that terminated it. In order to make it perfectly clear, however, steps were taken by order in council to rescind the order in council under which the body had functioned. We said that it should be by statute and we passed a statute in 1931. The appointments have not been made. The reasons why the tariff was dealt with as it was in 1930 and 1931 have been given so frequently that it is not desirable to take up the time of the committee today going over them again. But I would put this question to the committee. What would be the sense of endeavouring to answer a question when the hon. gentleman who puts the question answers it himself by saying, "This is camouflage to protect the manufacturers of the country"? When you ask a question and answer it yourself what is the purpose of asking someone else to answer it? It shows perfectly clearly that there is no intention to accept any answer as relevant to the question asked. This is camouflage to protect your friends, says the hon. gentleman. Well, since he makes that statement in answer to his own question, I do not see that any further observations are necessary.

Mr. SANDERSON: With all due deference to the Prime Minister, I submit that he has not answered my question at all. I would say that the remarks made by the right hon. gentleman in the last two or three minutes were camouflage pure and simple.

Article agreed to.

On article 16:

**His Majesty's government in Canada undertake that customs administration in Canada shall be governed by such general principles as will ensure: (a) the avoidance, so far as reasonably possible, of uncertainty as to the amount of customs duties and other fiscal imposts payable on the arrival of goods in Canada; (b) the reduction of delay and friction to a minimum; and (c) the provision of machinery for the prompt and impartial settlement of disputes in matters appertaining to the application of tariffs.**

Mr. MACKENZIE KING: This agreement was signed on August 20. Can the Prime Minister tell us what if anything has been done since the agreement was signed to carry out the undertaking of this article?

Mr. BENNETT: On October 6 the House of Commons was called together. On the 12th the agreements were submitted to the House of Commons. It is now the 21st day of November and the agreements have not yet been passed. In Great Britain they have been passed, and in Australia the same action has been taken. We have done all we could to enable this to become law, but up to the moment it is not. The only thing that is law is the schedules, because under our practice they become effective. But our efforts to get the agreement through have not been crowned with success, judging by Hansard. "So far as reasonably possible, of uncertainty as to the amount of customs duties and other fiscal imposts payable on the arrival of goods in Canada": that is a matter of administration. Complaints were made by British importers that there were difficulties which they experienced and which should be overcome. I think it is only fair to say that from the day the agreement was signed, and prior to its being signed, all the officials of the customs department have been endeavouring by every means in their power to make easier and simpler, and less subject to criticism, the passing of entries through customs. We all admit that conditions have made them extremely difficult. When I explained our diffi-

culties to the British delegation and their permanent officials, I am bound to say that they took a much more reasonable view of the matter than previously. Here we are on the northern half of a continent beside 122 millions of people. We are endeavouring to maintain our integrity, financial, industrial and otherwise, and it is a task that tries men as perhaps few tasks have tried them. In administration there are difficulties by reason of exchange. That is the primary difficulty. There are difficulties between the United States and Canada because of exchange differences, and they are very acute because they vary from day to day. To formulate rules that would govern is not easy. Then there are difficulties of exchange with every other country with which we do business, and that has added greatly to our burden. What we have been endeavouring to do, what the minister and all his officials have been doing, is to avoid, so far as reasonably possible, uncertainty as to the amount of customs duties and other fiscal imposts payable on the arrival of goods in Canada. It was contended, quite improperly—at any rate investigations which I have personally made would seem to indicate that the contention was not warranted —that one did not know what duty would be paid on goods because we fixed a value for duty on goods that might be imported from Great Britain. It will be observed that we have already passed a statute that gives effect to the contention, which we conceded, that we should remove that clause so far as it affects British goods.

Mr. MACKENZIE KING: I do not think it is passed.

Mr. BENNETT: It stands for third reading; it is still before the house. We have passed it through committee and it now stands for third reading. That statute, we believe, will meet that difficulty. "The reduction of delay and friction to a minimum": The causes of delay in connection with the passing of entries are not always attributable to governments, but an effort is being made to overcome that difficulty by instructions from the Commissioner of Customs. Since the conference, I have asked for suggestions from those who have had great concern in the conduct of our customs, and the department has been endeavouring to meet the situation. The minister can speak more freely of that than I can. "The provision of machinery for the prompt and impartial settlement of disputes in matters appertaining to the application of tariffs": We believe that the provision made last year in the tariff act, to which attention may be directed, in part 2 of chapter 55, will meet the situation:

> From and after a date to be fixed by the governor in council, all the powers, functions and duties of the board of customs shall be assigned to and be transacted by the tariff board constituted by this act.

Before this government or its predecessor came into office it had been the practice to have practically the same body pass in review on appeal upon the facts which it had determined in the first instance. I dare say the right hon. gentleman recalls that protests were made from time to time. The board of customs was dominated to a large extent, not necessarily by numbers, by those from whose decisions appeals were made. The committee will recall that last year I made the suggestions which are now embodied in the Tariff Board Act with a view to getting a tribunal which could not in any sense be connected with government as the court of appeal in connection with administration.

I have been told, and I am only passing on what I have received by way of information, that the Customs Act is the most difficult act we have to administer. Everyone knows the difficulties in connection with putting through entries. There is the question of checking up invoices and other matters. Since this agreement was signed the commissioner has endeavoured to meet the situation by ascertaining the date of arrival of large shipments and advising consignees that they should be prepared to furnish evidence as to the exact cost in the country of origin. I recall the other day that I had to pass a customs entry when coming in from the United States. I had purchased a piece of antique silver and the difficulty I experienced in passing this article was considerable. There was the question of establishing the value in the country of origin; the question of the value of the money of the country of origin converted into our money; the question of the surcharge of three per cent; the question of our sales tax, which is a domestic tax, and the question of the ordinary customs tariff. When you combine all these they look quite formidable. The department has settled upon a form of invoice to be used by those who ship into this country, and every effort is being made and will be made to reduce the friction which arises because of abnormal conditions. We are now endeavouring to provide in this tariff board a tribunal to which appeals can be taken summarily and disposed of quickly.

Mr. MACKENZIE KING: I do not believe anyone will take exception to this article; in fact, I commend the government for including it in the agreement. The only criticism I have to make is that all these things which are of any assistance or value to the country generally seem to come only at the instance of requests made by Great Britain or parties there instead of in response to the demands of our own people. If there is one matter above another about which Canadian importers have been complaining ever since the present administration came into office, it is the manner in which the tariff is being administered. Notwithstanding what the duties may be, the rulings, valuations and technicalities of one kind or another are such as to make it almost impossible to bring into this country articles from any other part of the world. If these principles are sound with regard to commodities coming from Great Britain, they are equally sound with regard to commodities coming from other parts of the world. I hope the government is ready to tell us that it is prepared to carry out the same principles in administering the tariff with respect to commodities coming into Canada, irrespective of the country from which they come. If these principles are sound, they should be applied generally; if they are not sound, they should not be invoked.

Mr. BENNETT: The observations of the right hon. gentleman are perfectly fair and his criticism is not unwarranted. There has been great difficulty in administering the Customs Act and the tariff because of the conditions to which I have referred. The fact that this article is in this agreement might be open to objection; when it was put there I quite appreciated that it would be said that this should not be necessary. As a matter of fact, it is not necessary that it should be there at all. I should like to demonstrate to hon. members the difficulties which this country is experiencing in connection with the administration of a statute like the Customs Act under the present abnormal conditions. I have seen importers on more than one occasion. Shortly after England went off the gold standard the question of the value of the pound sterling became important and I should like to give an illustration of how this worked out. Our tariff is based on the pound sterling being worth $4.86. Let us take an item valued at a pound and bearing a duty of twenty-five per cent. The duty would amount to about $1.22, disregarding the fraction. That amount added to $4.86 makes $6.08 as the total value of the article and the duty. The pound sinks to $3.80, twenty-five per cent of that would be 95 cents, which gives a total of $4.75 or 11 cents less than the face value of the pound upon which our duty rate has been predicated. not only by this government but by all governments since confederation. These importers interviewed me and I told them that the following two weeks should demonstrate the effect of England's going off the gold standard upon the value of commodities. It was expected that wages and commodity values would rise. I told them to come back in about two weeks, that in the interval I would watch the operations of trade and commerce and they could do the same. They came back and they told me that the prices of commodities had not risen as rapidly as was expected, nor had wages increased. It is a singular thing, but the fact is that the expectations in Great Britain in that regard were not met. Trade figures which were produced at the time of the conference showed that the increase in the prices of commodities was about 8.8 per cent. I then suggested to these gentlemen that we should fix the value of the pound for our purposes at $4.40 or substantially 10 per cent less than the par value upon which our tariff had been ranged. Instead of $4.86, we made it $4.40, which made a reduction in value for our purposes of 46 cents. We did not make this law in its entirety, we found it on the statute books.

When it came to dealing with what has been called the dump duty, mentioned in the next article in this agreement, I explained to the members of the delegation from the United Kingdom and elsewhere that we were confronted with this situation: if we left the pound at $4.40 instead of $4.86, its value would be reduced by ten per cent compared with the original value; it was then suggested that we would establish a fifteen day average for the real value, and the difference between the real value, which might be $3.80, and $4.40 would represent what has been incorrectly termed a currency dump duty. That is one of the problems with which this government had to deal. It is an administration problem but it makes for friction and difficulty. If you have a pound fluctuating from day to day it becomes almost impossible to carry on. As I have said, what we did was to establish a fifteen day average value, in other words, we arrived at a value twice a month. We made $4.40 instead of $4.86 the par value of the pound for the purposes of these computations. The effect of this upon my illustration would be that you would have $4.40 with a twenty-five per cent duty of $1.10. That would make the value of the commodity plus the duty, $5.50 as against $6.08, which was the figure

parliament had in mind when it imposed the duty. Many of those duties were imposed by parliament when Mr. Fielding was Minister of Finance. I point out these matters because they were in the minds of the British delegates; their merchants were complaining. I discussed the matter with them at some length. The Minister of National Revenue was on a committee with them; they brought in a large number of recommendations and we explained to them our difficulty. Finally we said: We are quite content to put in this document an article whereby we shall do our very best to meet the situation. It is of some value to British producers because we are doing our best in respect to them. As the right hon. gentleman has suggested, if it accrues to the benefit of Great Britain, it of course accrues to the benefit of all, because the Customs Act cannot be administered in one way in respect of one set of importers and in a different way in respect to another. That is the whole position and is the reason for this article being in this agreement.

Mr. RALSTON: Is my right hon. friend quite right with regard to the practice or the law as to the exchange value on which the duty is computed? I understand the duty is computed ordinarily on the value of the currency of the country of origin as compared with the Canadian dollar at the current rate of exchange. I do not think there is any such thing as a standard value of $4.86\frac{2}{3}$ for duty purposes.

Mr. BENNETT: No, but when our British preferential tariffs were being made, they were based upon the par value of the pound. I think the hon. gentleman will have no difficulty in verifying that from those who were nearest to Mr. Fielding in the preparation of those tariffs.

Mr. RALSTON: My point is that it is only this government—perhaps I am wrong and when the committee resumes, we shall know for sure—that has ever adopted the principle of giving a fixed or arbitrary value to the pound. That is to say, we have accepted, generally speaking, the current exchange value of the currency of the country of origin and have charged our duty at so much per cent based on the number of Canadian dollars represented by that currency.

Mr. BENNETT: All I can say is this, that after we had discussed this matter pro and con, the representative here of the British authorities stated, not privately, that we had done what he conceived to be a very fair thing under the circumstances, because we could have operated in a way that would have been vastly more difficult from the standpoint of those concerned.

Mr. RALSTON: My point is that it is not a representative of the British government about whom we are talking. We are talking about what I think is an arbitrary increase in the cost of goods to the people of this country, brought about by a value of $4.86\frac{2}{3}$ being given to the pound when it was only $4.40 or say $4.40 and the government not only figuring on a basis of $4.86\frac{2}{3}$ but adding to that the difference between the pound at an arbitrary value of $4.40 and the current rate. That is something with which it seems to me the representative of the British government would not have very much to do, but it essentially affects not only the Canadian consumer but the Canadian importer. Nothing has been more marked in the last two years than the uncertainty suffered by business, which uncertainty has been caused by this variable rating of the pound from time to time. That is the thing of which importers and consumers complain, and it is in regard to that that I, for one, welcome the insertion in this agreement of the particular provision which appears. As my right hon. leader has intimated, it is I think humiliating to Canada to find that this is brought about by the intervention of the British government and of British representatives when for two years there has been an outcry in this country and in this house with regard to the uncertainty which exists respecting importations and the very arbitrary amounts which are being imposed on importations of goods particularly from Great Britain.

At six o'clock the committee took recess.

## After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: We are on article 16.

Article 16 agreed to.

On article 17:

His Majesty's government in Canada undertake that all existing surcharges on imports from the United Kingdom shall be completely abolished as soon as the finances of Canada will allow. They further undertake to give sympathetic consideration to the possibility of reducing and ultimately abolishing the exchange dumping duty in so far as it applies to imports from the United Kingdom.

Mr. RALSTON: I should like to ask a question of the Prime Minister, or the min-

ister in charge, concerning existing surcharges. Does this article refer particularly to the three per cent excise tax and is that the surcharge to which the provision refers?

Mr. BENNETT: So far as I am aware that is all to which it refers. That is the only one I had in mind at the time.

Mr. MOTHERWELL: In my view the expression "shall be completely abolished as soon as the finances of Canada will allow" is rather indefinite. I suppose the government of Canada will be the judge.

Mr. BENNETT: Yes.

Mr. MOTHERWELL: It is not very hopeful for just a little while?

Mr. BENNETT: No.

Mr. RALSTON: Can the Prime Minister tell us anything more than is indicated by the article with regard to the prospect of "sympathetic consideration," so far as the abolition of the exchange dumping duty is concerned?

Mr. BENNETT: I am sure the hon. member does not desire to prolong this discussion beyond what may be useful. Everything that can be has been said with respect to the point he raises. The world economic conference, if it comes into being, may be able to solve the problem. As it stands, the hon. member is fully aware of the circumstances, and I have nothing to add to what I have said.

Mr. RALSTON: I was speaking only of the exchange dumping duty.

Mr. BENNETT: I understand that.

Mr. RALSTON: Does the right hon. gentleman consider the world economic conference will have any effect on that?

Mr. BENNETT: I say it is a very important factor in determining what shall be done about it. As matters stand to-day, with prices and exchange as they are, it is unnecessary to remind hon. gentlemen that the fluctuations make the transaction of business extremely difficult and that some stabilized form of exchange is very desirable, and will doubtless be accomplished in time.

Mr. RALSTON: The Prime Minister is right when he states that we do not wish to prolong this discussion. I would point out however that the United States is in exactly the same position as we are, so far as fluctuation is concerned, and as I understand it the exchange dumping duty is not in operation there. It seems to me therefore that in view of the undertaking given in this article, the Prime Minister might well consider the abolition of the exchange dumping duty without waiting for the world economic conference.

Mr. BENNETT: If, with safety to the body politic, it could have been done, it would have been done. In our opinion it could not be done, and it will not be done until it is considered safe for Canada to do it.

Mr. YOUNG: What does the Prime Minister mean by "safe"?

Mr. BENNETT: So as not to destroy the country by creating a chaotic condition.

Mr. YOUNG: Doesn't the Prime Minister think the finances of the country would be improved if the government were to allow the goods to come in, and collect duty on them? No answer.

Article 17 agreed to.

The CHAIRMAN: Articles 18 and 19 have already been agreed to. We now turn to article 20.

On article 20:

Nothing in this agreement shall prejudice or diminish any of the benefits enjoyed by any of the parties thereto under the Canada-West Indies Trade Agreement dated the 6th of July, 1925.

Article agreed to.

On article 21:

This agreement is made on the express condition that, if either government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through State action on the part of any foreign country, that government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it.

Mr. RALSTON: Would the Prime Minister state, having regard to this article, the significance of the renunciation or breaking off of the trade agreement between Russia and Great Britain?

Mr. BENNETT: The hon. gentleman will recall that a commercial treaty was being negotiated between Great Britain and Russia by Mr. Arthur Henderson and soviet authorities. Difficulties were experienced in completing the treaty along the lines suggested, and a protocol was signed which had the effect

of a temporary treaty. It was provided in the protocol that it might be terminated on six months' notice, and inasmuch as the terms of the treaty would be to prevent this section becoming operative, as by its terms provided, the British delegation undertook to give notice within the terms of the protocol. Such notice was given and is now running. The effect of course is that they are then free, beyond question, to give effect to this article of the agreement. Without renunciation of the agreement it is a matter of extreme doubt whether or not there would be any power on the part of the government of the United Kingdom to give effect to the conditions of the article, in the event of its being necessary to do so.

Mr. RALSTON: The right hon. gentleman has not before him the term of the treaty which might nullify the effect of article 21?

Mr. BENNETT: I did not think it necessary to bring it, but if I remember correctly the protocol did not specify the term, because it provided for the negotiation of a treaty at an early date. The express provision was that it should remain in effect until the expiration of six months' notice by either party. If the hon. member is particularly interested I shall have the information for him tomorrow.

Mr. RALSTON: No. I wanted to know the effect of whatever term there may have been in the treaty which would nullify article 21. There might quite possibly be a treaty and still nothing in it—

Mr. BENNETT: Oh, I understand the hon. member now. The most favoured nation clause was in the treaty.

Mr. MALCOLM: Was given to Russia?

Mr. BENNETT: Yes, was in the protocol.

Mr. MALCOLM: So that if the protocol had stayed in existence Russia would have had the same terms as Canada, so far as lumber is concerned?

Mr. BENNETT: Yes.

Mr. RALSTON: The six months' delay is running now, and article 21 really does not come into effect until the termination of that delay.

Mr. BENNETT: If my hon. friend suggests that it does not come into effect, I reply that it comes into effect in so far as it is possible to make it effective, because it has been approved and assented to by the British parliament. But so far as the ability to operate every section of it is concerned, it would be necessary, as I have said, that the six months should have run before it could operate in its entirety.

Mr. WOODSWORTH: Would the Prime Minister indicate to us a little more clearly and definitely what class of action taken by a foreign state would come under that part of the section which reads:

> . . . the creation or maintenance directly or indirectly of prices for such class of commodities through state action . . .

Recently our own government guaranteed the Canadian banks against loss in connection with the transactions of the selling agency for our wheat, which is being sent abroad at less than the cost of production. In that sense we are dumping wheat, the state itself entering into the dumping process. Would action of that kind on the part of a foreign country come under this clause?

Mr. BENNETT: No statement could be further from the fact than the one just made. Why it should have been made I know not. To suggest that the government is engaged in the wheat business is as far from the fact as it is possible for any statement to be, and I should think the hon. gentleman would know that. Why did he make that statement? Does anyone know? This aims at a condition under which there is state control of the product of industry or agriculture, where the state itself is the moving power with respect to the production and marketing of it. Where the state intervenes in that manner, so as to frustrate the operation of the preference thus granted by Great Britain to Canada, Great Britain has said that if attention is drawn to it, such action will be taken as will ensure that the state thus offending shall not be able to sell its product in that market. That is what it means. Either government, of course, has the right to call into operation the provisions of the section. Could anything be further from the fact than to assert that there is any relation between that and the guaranteeing of the financial position of an agency that buys and sells wheat without reference to the government? I cannot understand what purpose is served by making that observation.

Mr. WOODSWORTH: It is not necessary that I should explain the purpose I have in view in making an observation. But the Prime Minister has not answered the question. My question was this: If the government of a foreign country should take action

similar to that recently taken by our government in guaranteeing the banks against loss when they are advancing money for the sale of wheat, would it come under this clause? That, I take it, is indirect action on the part of the state, if it is not direct action. And I take it further that that is virtually a dumping of grain, because it is selling it at less than the cost of production in the country of origin. Whether or not the Prime Minister agrees with that interpretation of the action of this government I am not immediately concerned, but I ask, if some other state, Germany if you like, in subsidizing its grain, should take action along that line would this clause apply against Germany?

An hon. MEMBER: Russia.

Mr. WOODSWORTH: Yes, or Russia. I have no objection to taking Russia as my illustration, but some people here do not like the mention of Russia, so I took Germany instead. Or take Italy if you like; there are a great many people not so frightened about Italy. In Saturday's Ottawa Journal, an eminently respectable paper, and rather inclined to be Conservative, there appeared a report of a recent statement by Sir Arthur Steel-Maitland, who, I believe, was Minister of Labour in the last Conservative government in Britain and has just returned from a trip to Russia. He said:

> I want Britain to trade with Russia because of the great and growing burden of unemployment. . . .
>
> Our export trade to Russia last year amounted to $35,000,000 at par. It can easily be trebled. It might well be multiplied manifold.

I ask the Prime Minister the definite question whether, if another state takes action along lines similar to that which we have taken in Canada, this clause will apply against that state?

Mr. BENNETT: Mr. Chairman, the language of the article is:

> This agreement is made on the express condition that, if either government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through state action on the part of any foreign country, that government hereby declares that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by us.

The hypothetical case suggested by the hon. member for Winnipeg North Centre (Mr. Woodsworth) does not come within those provisions.

Mr. RALSTON: As far as I am concerned I do not want to have the discussion led off into a question of what action this government has taken in regard to wheat. But I do not think the Prime Minister should be too dogmatic about the effect of this government's intervention. I have before me the order in council authorizing the action referred to by the hon. member (Mr. Woodsworth). The recital is that there has been marked variation in grain prices in the immediate past; it refers to the uncertainty as to future prices of wheat, and goes on to provide for guarantees in order that the wheat may be sold for cash at present prices. That is not very far from what this paragraph refers to, namely, the maintenance of prices directly or indirectly through state action, not on the part of any foreign country but on the part of this country. I should think, therefore, there might be some doubt whether if this sort of action were taken by foreign countries to maintain prices it might not be quite possible that this clause would be invoked by us, and we might present to Great Britain that situation and ask them for redress. I think the Prime Minister is perhaps unduly restricting the possibilities of this section when he declines to agree that the maintenance of prices in this way, or the assistance in the maintenance of prices, might not come within this section.

I want to ask the Prime Minister if there is any understanding as to the procedure to be adopted in connection with this section. That is, how are representations to be made, or what has to be shown in order that the section may be invoked by, let us say, this government, through a request to Great Britain in respect of action on the part of some foreign government?

Mr. BENNETT: The only question of procedure that was discussed with the British authorities was that of first giving notice under the provisions of the protocol. Then if occasion necessitated, and the effect of the offering of state controlled products or commodities at a price that bore no relation to the market was to frustrate the preference, this government could give such notice as might be necessary and, on the facts being verified, the British government would take the necessary action to prevent the importation into that country of the commodity so affected.

Mr. RALSTON: But I was getting at whether the burden is on the Canadian authorities to satisfy the British government with regard to any infraction of this article.

Mr. BENNETT: Of course, as the matter has not yet arisen in practice, I can only say this is one more illustration of the intention of the governments, in making a bargain of this kind, to act in the utmost good faith. I can only repeat that if the facts were brought within the four corners of the article, and the attention of the British government were directed to them, they would make such inquiries as might be necessary to satisfy themselves as to the correctness of the position which, the Canadian government asserted, necessitated their taking appropriate action to accomplish the end in view, namely, the prevention of the frustration of the value of the preference to the exporter.

Mr. WOODSWORTH: The Prime Minister objects to the citation of hypothetical cases. I mentioned one which was not hypothetical, that of Germany, which bonuses its exports. I believe South Africa does the same thing. Certainly that is direct action on the part of the state which may affect prices. I would ask whether action of that kind on the part of a state would bring it within the terms of this clause.

Mr. BENNETT: I can only say that if that case ever arises it will be considered. It has not been considered yet by the two governments.

Mr. WOODSWORTH: Apparently I am entirely in error with regard to this whole matter. I thought we were entering into a treaty. If we are doing so it seems to me that this document should set forth certain definite principles which must guide the contracting parties in whatever particular circumstances they may find themselves. If the Prime Minister means that there is a particular country or a particular condition against which this article provides and that it does not have general application, that is a new phase of the matter altogether of which the house knows nothing. We have before us a distinct clause. I have not a great knowledge of law, but from what little knowledge I have I would say we have to deal with the meaning of this article which is before us. I think I am putting a perfectly proper question when I ask the Prime Minister if the action of Germany, or of South Africa, or of any other country which bonuses its exports, brings it within the terms of this particular clause. It is not a question of whether the matter has been considered; it is a question of whether such action would come under this clause.

Mr. BENNETT: The hon. gentleman has read the clause, as I have; I have read it to the committee. This is a treaty between Great Britain and Canada, not between Great Britain and Germany or South Africa.

Mr. WOODSWORTH: It is a treaty that applies to foreign countries.

Mr. BENNETT: Just permit me to finish. This treaty is between Great Britain and Canada, and it makes certain provisions. If the conditions which are mentioned in this article obtained, suitable action would be taken by Great Britain or by Canada, if it were the converse of the case I have mentioned, for the purpose of prohibiting importations into the country of the commodities so affected. That is all. I decline to give antecedent interpretations; that is an unwise and a wrong thing to do, as no one knows better than the hon. gentleman. We are dealing with actualities and with those I shall continue to deal. I do not propose to give my interpretation on hypothetical questions which, when they become actual cases, in view of surrounding circumstances and facts, may necessitate action being taken along some line different from an interpretation which I might suggest. That brings the whole matter exactly within what was said a few days ago by the foreign secretary in Great Britain; to undertake to deal with cases that do not exist and to place an interpretation upon a bargain made between the United Kingdom and Canada is not my purpose. I do not think it is fair criticism or fair comment or fair inquiry to make at this time with respect to this bargain.

Mr. WOODSWORTH: I am sorry the Prime Minister does not think it is fair, but we are discussing this article of the agreement and this is our only opportunity of arriving at what the clause really means. If I understand anything at all about the drawing up of agreements, there were certain definite matters under consideration when this article was drafted. If the Prime Minister is not in a position to interpret the meaning of the article I do not know who would be in that position, because presumably he was there at the time. I think it is a fair matter of legal interpretation that the men who had something to do with the drafting of a section should be asked

to interpret its meaning. I repeat I am not giving a hypothetical case; I have asked with regard to a specific condition existing at the present time. I referred to the action which Germany now is taking, and asked whether or not that would bring that country within the terms of this section. If the Prime Minister refuses to answer of course that is his option, I suppose, although it does not seem very fair that when we are considering the article the Prime Minister will not state whether or not Germany comes under this article at the present time.

I would give another illustration. Suppose the Reconstruction Finance Corporation of the United States undertook some direct or indirect action which might encourage the exportation of goods from that country. I should like to know whether or not, in that case, the United States would come under this article. Perhaps that is a hypothetical case; so far as I know that has not been done as yet, but such action might be taken by the United States. I do not think we should be asked simply to subscribe to this clause in a blind way without having any definite knowledge as to what it really means or in what it may involve this country. I still think my question with regard to Germany is perfectly proper. It is not hypothetical by any stretch of the imagination.

Mr. MALCOLM: Certainly I do not want to delay the proceedings of the committee, but I think the question raised by the hon. member for Winnipeg North Centre in relation to foreign countries might well be applied to empire countries. I quite understand and quite agree with what was sought in the drafting of this clause. When a country operates a business such as state operated lumber camps, the state pays no royalties and no timber dues. When camps are operated in a capitalistic country such as Canada the state takes certain severe tolls in the way of dues from the private operators, and certainly it is not fair competition for a private lumber company in the Dominion of Canada to have to compete with a state operated lumber company, when that private company is paying to the state substantial taxation on the lumber which it cuts off state owned limits. It is quite possible that in the particular case of Russia, commodities have been placed upon world markets by the government simply for the purpose of securing foreign exchange. When such competition as this exists it is unfair to the normal operation of a business within the British Empire, and I can quite see the object of having an opportunity to enter a complaint against that sort of business.

The question, however, goes much further than that, Mr. Chairman. We in Canada have given state aid to agriculture by paying a bonus of five cents a bushel on wheat. We are operating in the British market in competition with Australia, but Australia has an export bonus scheme with regard to butter. The whole principle of bonusing exports of any commodity at all is in my opinion extremely vicious and wrong. Personally I have never subscribed to it, and I do not subscribe to it now. Bolstering up one particular industry at the expense of other industries by means of a bonus may lead to extreme state expenditure which, in the end, may not result in any definite benefit to the state.

Mr. KENNEDY (Peace River): What is the difference between a bonus and a tariff?

Mr. MALCOLM: My hon. friend is entering into a controversy on a point which I should be very glad to discuss with him at another time, but that is not the question here. We also have another situation in Canada. We do a good deal of talking about Russia, but in this dominion we operate provincially-owned power enterprises which pay absolutely no taxation to the state, whereas the privately-owned power companies pay substantial revenues to the provinces for the use of water and very heavy taxation to the state and the municipalities in the conduct of their business, both as to percentage of profits and in the form of municipal taxation. Now, if the principle is to be adopted in this legislation we must remember that we have done and may again be doing a considerable export business in electrical energy with the United States, which will be coming into competition with electrical energy generated by the private capital paying taxes in the country in which it is generated. I say therefore that while the purpose of this legislation is to eliminate unfair competition in our trading with Britain on certain commodities, it opens up a very serious field of discussion. As regards the very commodity in which we are at the present time most interested, and in which the Prime Minister no doubt would argue that he is trying to support us, namely, wheat, I think it is pretty generally understood that the North American continent sold a great many million bushels of wheat to Russia. I believe it is also well known that a great deal of Russian wheat has been sold on the Cardiff market.

Mr. BENNETT: This year?

Mr. MALCOLM: Past years.

Mr. BENNETT: Oh, past years.

Mr. MALCOLM: I think it was understood that a great deal of wheat came out of northern Russia, which was exchanged for Welsh coal that went back into northern Russia, and that a good deal of coal came out of the sea of Azov and was sold in competition with coal in England, wheat from America being taken back into southern Russia. The reason for this was the difficulty in the transportation system as between north and south in the Soviet Union. The fact remains that the possibilities of trade with Russia are not all one way. I admit that there are certain dangers, but while in principle I subscribe to the purpose of the clause, if and when it becomes necessary for the government to give notice, I do also submit that the references by the hon. member for Winnipeg North Centre are not so far out of line as the Prime Minister would have us believe, because I think it might be held that his action in connection with supporting the wheat market by giving guarantees to the banks might be interpreted as state aid in the principal industry in this country.

Mr. BENNETT: Bonuses are given to increase the price of wheat.

Mr. MALCOLM: Quite so.

Mr. BENNETT: This aims at a case in which unfair competition destroys the price.

Mr. RALSTON: This is the maintenance of price.

Mr. BENNETT: The words are these:

. . . are likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices . . .

The word "creation" is there to meet a situation where, as pointed out the other day, one country had through its selling agency given a statement that whatever price was quoted it would quote a lower price. My personal view is that it has no relation whatever, by any stretch of the imagination, to the bonusing of wheat as suggested by the hon. member for Winnipeg North Centre. Certainly that was not in anyone's mind when the matter was done. But may I point out that this is an agreement between two countries; there is not a third country. It has to be worked out by the two of them and not by somebody else, and the very provisions in the agreement that look towards the maintenance of good faith and mutual discussion and negotiations for the purpose of giving effect to it, preclude the possibility of anyone giving any hard and fast interpretation as to what might or might not follow if this were something of universal application. It is not. This is a contract between two parties, and one of the terms of the contract is contained in article 21. It aims at securing fair competition against unfair state competition; that is all.

[Mr. Bennett.]

Mr. WOODSWORTH: Since the Prime Minister has admitted that this is aimed primarily at what he calls unfair state competition, I think it is proper that one should object to this parliament pursuing a policy of this kind. I am firmly convinced that in the years to come, indeed in the very near future, the state will more and more be driven to take action which will directly or indirectly affect business. We have, in fact, been doing it for a great many years in a small way and we are being forced now to do it on a larger scale. The only country which apparently has done it on a national scale is Russia. The Prime Minister says that, with regard to other countries, they were not in the minds of the parties who drew the agreement. I presume that everyone will realize from that statement that Russia was very definitely in the minds of those who drew the agreement, and Russia is the only country that has any form of state capitalism. I think we should consider carefully the results of this action. In the first place, we might very easily antagonize a great country that might be one of our best customers. I have again and again urged that we should trade with Russia. That was the policy of the late government in Great Britain. As I read the papers it is only a question of time until a new agreement will be drawn between Great Britain and Russia, so that trade with Russia is not a matter that can simply be regarded as a vague dream or fad of a few people in this country. We missed a great opportunity a year or two ago when we might have taken Russian coal in exchange for some of our agricultural implements. Now it would appear that we may sacrifice any chance of dealing with this great country which has been the first to go into state enterprise on a large scale.

I might take this opportunity to call the attention of the house to an article in the November number of Current History by Sidney Webb, now Lord Passfield. He points out some of the conditions which now prevail in Russia and which I think should afford ground for careful consideration of the whole situation.

The CHAIRMAN: Is that relevant to the question?

Mr. WOODSWORTH: I think it is relevant. He said:

In Soviet Russia the aggregate volume of production is increasing year by year.

That is something we have to consider—whether we regard Russia as a customer of ours or as a rival; because if we fail to enter into arrangements with Russia at the present time we may easily find her our competitor, and if it should prove that state enterprise is more economical than private enterprise, as I believe the hon. member for North Bruce suggested, we might encounter great difficulties in our wheat-producing industry in the near future. To continue:

Soviet Russia has been able, without popular outcry, for the past two years entirely to suspend its unemployment benefit simply because the government can and does find places at trade union rates of wages, either in productive work or in technical training, for every applicant.

There again the question is raised whether that would be unfair competition. We have in this country some 800,000 persons now under relief.

Mr. BENNETT: Yes, but the 800,000 are men, women and children.

Mr. WOODSWORTH: Yes, and I suppose there are some 750,000 altogether who are unemployed.

Mr. BENNETT: Oh, nonsense.

Mr. WOODSWORTH: Yes, 750,000 unemployed. Take the figures shown by the census returns, add the proportion which have come in since the figures were compiled, take into consideration the fact that nearly 200,000 young people have entered the labour market since that time, of whom only a very small proportion have been absorbed; take into account the fact that the census figures do not include the young people who had not yet had jobs and so were not out of a job or, on the other hand, those who have been working for themselves but whose business had gone down—I think if hon. gentlemen will take the trouble to make a careful estimate they will find that my figure of 750,000 is conservative. If we have 750,000 unemployed and should choose to put them at productive work, paying them out of the state treasury, we might then be in a position to export more goods. If so, some will say that that would be guilty of unfair competition. It might be unfair in one sense, but unfair only from the standpoint of those who believe firmly in private enterprise. It certainly would not be unfair to the state or to the people who are unemployed. The hon. member for Red Deer (Mr. Speakman) suggests that it would not be unfair to those people who have to pay the taxes. Sidney Webb goes on to say:

Perhaps this may not be unconnected with the curious fact that the Soviet government (central and local) is this year spending on the education of its far-flung population of 160,000,000 actually a larger sum per head than the British government is spending on its 45,000,000.

The CHAIRMAN: I do not think this is relevant.

Mr. WOODSWORTH: Yes.

The CHAIRMAN: The state of unemployment in Russia does not interest this committee.

Mr. WOODSWORTH: I am trying to show that there is great difficulty in deciding what is fair and what is unfair competition. I have been pointing out that under state enterprise huge sums may be spent upon education, upon cultural opportunities for the masses and upon a great variety of other things, but when it comes to one particular item which may be produced at a lower cost than under private competition, the sale of that article when exported is considered to be unfair competition. In order to deal intelligently with the whole question you have to consider all the surroundings.

The CHAIRMAN: The statistics concerning unemployment in Russia and Great Britain would not seem to cast any light upon this article or be relevant to the question.

Mr. WOODSWORTH: I think that they do. I should like to read another paragraph from Sidney Webb as follows:

The essential novelty in economic organization which Soviet Russia, alone among nations, has adopted, is that, from one end of industry to the other, no profitmaker puts a finger in the pie, and no rentier levies his tribute in return for allowing the land and capital to be used.

If we must produce at such great cost because of the heavy tribute which private industry levies upon our production, then I submit that there is no great unfairness in a country cutting out the middleman, cutting out the tribute and producing as nearly as possible at cost. Sidney Webb continues:

The object and purpose of Soviet industry is never pecuniary profit for the proprietor, but always to supply the nation with the largest possible output, of the best possible quality. This is the first great difference in industry between Soviet Russia and the rest of the world. The second is that production and distribution is not left to be decided by the whim or caprice of landlords; or by the calculation as to the likelihood of profit by hundreds of thousands of separate capitalists, or by their managers or their bankers; or even by the 10,000 official factory managers on behalf of the state, but is made the subject of a deliberate, nation-wide planning as to what is best, not for any particular citizen or section of citizens but for the whole community, present and future.

If that is a fair statement of the situation in Russia it does not seem to me to be possible to say that the goods there produced are produced under unfair conditions. It has been claimed that Russia is dumping these goods at below cost and for that reason is not able to build up her reserves—forced sales, as it were. My last quotation from Sidney Webb is as follows:

Soviet Russia is year by year diverting from consumption by the present generation of consumers, at least a quarter of what its workers are producing, in order that the consumers in future years may reap the benefit in an assured higher standard of life.

That is a much larger proportion given to capital expenditure than prevails in any other country. Russia is putting aside those reserves, she is adding that much to capital, and any country adding to capital at that rate surely cannot be said to be producing its goods under unfair conditions.

It seems to me that we ought not to take action here which would place us in the position of advocating the perpetuation of our system of private competition, under which we are suffering from such tremendous depression at the present time and under which so many of our people are on the verge of starvation, when there is another system being tried out and from which we could derive some knowledge as to how conditions might be improved in this country. I do not defend everything that is being done in Russia, but I do say that an experiment is being worked out there which is worthy of our consideration. We might very well place ourselves in such relationship to Russia that she might send us some of her surplus goods which we need, and that we might in return export some of our capital goods which she needs at the present time. I think such a transaction would be beneficial to both of us. As it is to-day, we are deliberately setting out to make trade war upon any country that proposes to carry on state enterprises to a greater extent than we ourselves, at the present moment, are prepared to undertake.

Article 21 agreed to.

On article 22:

This agreement between His Majesty's government in the United Kingdom and His Majesty's government in Canada is to be regarded as coming into effect as from the date hereof (subject to the necessary legislative or other action being taken as soon as may be practicable hereafter). It shall remain in force for a period of five years, and if not denounced six months before the end of that period shall continue in force thereafter until a date six months after notice of denuniciation has been given by either party.

[Mr. Woodsworth.]

Mr. MACKENZIE KING: I think it is important to repeat what has been said with respect to the effect of this particular article. It differs from most of the articles that usually appear in agreements in that it seeks not only to impose additional taxation but to fix that taxation at a certain level over a period of five years. That, as has frequently been said, is a violation of fundamental principle of the control of the commons over taxation. My right hon. friend has been fond of quoting from time to time the Procedure of the House of Commons by Redlich, and I should like to quote for his benefit as well as that of the committee what Redlich has to say on page 126 of volume 3 of that work under the title of "Fundamental principles":

With a view to maintaining parliamentary control over taxation from year to year, a constitutional practice has been established whereby at least one important customs duty and at least one important direct tax are made subject to annual renewal. Accordingly, whether the financial arrangements of any given year require the imposition of additional taxation or not, an act must be passed every year to continue these expiring imposts; and when the Finance bill, in which such renewal is proposed, is before the house it is competent for any member to raise the question, not only of the renewal of the particular imposts in question, but of the continuance of any other duty or tax, whatever may be the statutory time limit, if any, prescribed for it.

He goes on to say:

For many years the tea duty and the income tax have for this purpose been imposed year by year for one year only.

And elsewhere he says:

Apart, therefore, from the special cases of the tea duty and the income tax, it may be said that the presence or absence of a specific time limit in the act imposing a duty or tax has little practical importance, except as affording an indication of the intention of parliament at the time it was imposed.

I do not imagine my right hon. friend will take exception to that statement of the position by Redlich. It serves to emphasize how careful the British parliament has been to see that even with respect to duties which it is proposed to have maintained for a period of years, that the commons should assert its right to revise the entire schedule at any time that parliament might desire so to do by bringing up at least one item for discussion every session. Undoubtedly the intention of hon. gentlemen opposite is to have these duties continue for a period of five years. The intention, so far as this side of the house is concerned, is to preserve fiscal freedom in the matter of imposition of taxa-

tion, whether that be in the form of customs duties or in any other form, and to resist as strongly as we can anything that will seek to make permanent any rate of customs duty or to give rigidity or fixity to the customs schedule.

Mr. BENNETT: Surely the right hon. gentleman is not serious in what he has been saying.

Mr. MACKENZIE KING: Why does my right hon. friend say that?

Mr. BENNETT: I have a high regard for my right hon. friend's intelligence, wide experience and great knowledge, but when he stands in this committee and makes a statement such as he has just made with respect to taxation, I wonder whether he thinks the house has no memory. I wonder whether my right hon. friend realizes, for instance, that the Czechoslovakian treaty is for four years, and it touched every item of imports from that country. The treaty which Cobden made with France was for ten years. Our treaty with the West Indies was for twelve years. Our treaty with France, lasted nine. Similar consideration applied to treaties with Belgium and Italy.

These are the fundamental principles which I think we must remember: First, we have negotiated an agreement with the United Kingdom; second, the agreement is based upon the application of the principle of tariff preferences, free entry being accorded to the British Empire and a tariff being imposed against those who are not within the empire. The preference is the difference between free entry and the duties which run as high as 33⅓ per cent. Then comes the question as to how long this agreement shall endure. A channel of trade thus created can be developed only within a reasonable time, and I suggest to my right hon. friend that he convert his former Minister of Justice before he tries to convert the rest of Canada and the house; for that hon. gentleman made it quite clear the other day that he realized there must be time with respect to the development of a channel of trade and that time is all important. The question how long might well be the subject of differences of opinion, but that there must be a reasonable time is clear. We have fixed it at five years. This is not taxation in the sense in which Redlich is using the term in the citation my right hon. friend made from him, but it is an effort by tariffs to provide for preference to Great Britain and the dominions.

Just one word more need be said, and that is all I shall have to say about the matter. We believe these principles upon which we are proceeding are sound, and until this debate was precipitated I thought that all parties were desirous of granting these preferences. My right hon. friend says: We do not believe in a certain fixed tenure. If you apply the principle of landlord and tenant, he does not believe in a fixed rent for a certain period. I say that his government did the same thing. This very day I had to consider, because my attention had been directed to it, the Czechoslovakian treaty, its date of expiry, four years from the day it was made, and what our rights were under it. What is the difference between the right hon. gentleman making a bargain with Czechoslovakia for four years and our making one with our kinsmen for five? That is the real point. I do not desire to be captious, but I do not think any principle is involved. This house was asked to agree and did agree to the right hon. gentleman's suggestion to adopt that treaty with Czechoslovakia and I am merely suggesting a period of five years with Great Britain is not different in principle from a period of four years with Czechoslovakia.

Mr. MACKENZIE KING: No one knows better than my right hon. friend that there are agreements and agreements, and that the scope, the terms and provisions of an agreement have everything to do with its general acceptability. The intention of parliament is usually made clear during a discussion of these matters. My right hon. friend talks about an agreement with Czechoslovakia, I venture to say that when that agreement was put through, the point that that agreement should not extend for the term of years it was stated it would extend was not so much as raised by the opposition of the day, the simple reason being that the agreement did not attempt to impose additional burdens of taxation on Canada over a period of years. What I wish to make clear at the moment is this: While the government may have one intention in this matter of the customs duties being fixed by this agreement, certainly, so far as the Liberal party is concerned, it has quite an opposite intention with respect to making permanent any increase in customs tariff at this time. It is just as well that should be made quite clear. There is a great difference again between agreements that are made for a period of years but which can be ended at any time upon so many months' notice, or agreements that affect a very small number of items in a customs tariff, and agreements such as the present one which under the guise of an agreement is in reality an upward tariff revision on a large scale. Our opposition to

this agreement is that while it purports to be an agreement to further trade between Canada and Great Britain, it is in reality a means of increasing the Canadian customs tariff by a subterfuge, and one which we do not propose to countenance for one minute. It is an attempt to do something in the nature of an innovation in tariff matters which is being very strongly resisted in other free parliaments at the present time and which we intend to resist as long as we can in this, namely, an endeavour to institute permanent or fixed tariffs and that on a very high level.

May I point this out, that never before, so far as I can recall, in the history of this parliament, has an effort been made to do away with the benefits of an intermediate tariff. The tariff policy of Canada has for years contemplated three distinct tariffs, namely, the British preferential tariff at one level, the intermediate at another, and the general at another. The idea has been that through the intermediate tariff Canada would have an opportunity to make agreements with other countries, giving them certain favourable opportunities in our markets when they were prepared to give us like opportunities in theirs. That is now being destroyed by the way in which the present tariff, under schedule E, has been framed. As has been pointed out over and over again in committee, the agreement raises the intermediate tariff to the level of the general tariff, thereby doing away for the next five years with any advantage which might have been offered to a foreign country prepared to make an agreement with Canada. Hon. members on this side of the house are ready and anxious to trade with Great Britain as far as possible. We also desire, however, to trade with the rest of the world. The mere diversion of trade will not help to bring Canada out of a period of depression such as that from which she is now suffering. There will have to be an increase in the volume of trade, and that increase will have to be obtained not only through trade with Great Britain but through trade with the rest of the world as well.

Mr. BENNETT: I do not wish to take up the time of the committee further than to repeat a view expressed by Mr. Runciman in the English House of Commons. The right hon. gentleman opposite says: "We desire to trade with Great Britain." If by that he means we desire to have a trade treaty with Great Britain, then he must mean a contract. Every contract with respect to trade imposes some restriction upon the freedom of action of both parties concerned. As Mr. Runciman pointed out, there cannot be a contract between parties which does not involve some restriction on our free will and general actions. If it is a contract for service, one must carry it out. If it is a contract to sell goods, one cannot sell them to someone else. Restrictions are clear and implied. But this is the point I wish to make: Is a contract for five years bad when one for four years is good? The right hon. gentleman suggests the answer is that the present agreement involves heavy taxation upon the Canadian people. What about the West Indies treaty? That treaty was for twelve years, not five, and imposed a taxation upon the Canadian people of $5,000,000 a year. We cannot relieve ourselves of that treaty, because it is there and we are not free. Why does the right hon. gentleman opposite condemn the treaty now before us when it is only for five years, when as the leader of a former administration he was the author of a treaty with the West Indies for twelve years which cost Canada $5,000,000 a year? The Czechoslovakian treaty, which is set out at page 234 of the consolidated copy of the Customs Tariff and Amendments was made for the purpose of securing certain benefits for Canada which, I am sorry to say, probably through no fault of the government, did not eventuate. Article 6 of the Czechoslovakian agreement states in part, as follows:

> It shall come into force fifteen days after the exchange of ratifications and shall be binding upon the contracting parties during four years from the date of its coming into force.

Those are the provisions, and it seems to me under the present circumstances we are not asking too much, having at one time given assent to a treaty with our neighbours in the West Indies for a period of twelve years which involves us, in connection with the commodity of sugar, in taxation to the extent of about $5,000,000 a year, and having at another time entered into an agreement with Czechoslovakia for a treaty for four years—in the light of these facts it does not seem to me that we are asking too much when we ask for concurrence in a contract for five years with our kinsmen across the sea, comprising some 40,000,000 people.

Mr. MACKENZIE KING: It is true an agreement was made, as the Prime Minister has said, with our kinsmen in the West Indies. My recollection however is that no exception was taken by him or other hon. gentlemen opposite at the time to the provisions of the agreements and in particular to the time for which it was to run.

Mr. BENNETT: I was not here at the time.

Mr. MACKENZIE KING: All parties in the house were in agreement. That is a very different matter from an effort to bind subsequent parliaments on a matter in connection with which there are between the political parties fundamental differences of opinion.

Mr. STEVENS: A few minutes ago the right hon. gentleman opposite said that he objected as a matter of principle.

Mr. MACKENZIE KING: There can be no question as to carrying out anything for a term of years where all are in agreement. But, in this House of Commons at the present time there is a very distinct difference of view as to the merits of the agreement. Hon. members opposite think they have done something which is very much in the interests of Canada. Hon. members on this side feel that the agreement they have made will be detrimental to Canada. I believe we shall find that before it has been in force very long conditions which are now very bad will be intensified in virtue of the additional restrictions being placed upon trade by the agreement now before us.

I do not know that there is anything further to add; I think the position of hon. members on this side of the house has been made clear. The Prime Minister spoke about an agreement made by Great Britain with France. As he well knows, that was a treaty to increase freedom of trade not only between France and Great Britain but between all the countries of the world and Great Britain. In that treaty the same opportunities were given to other countries as were given to Great Britain. The agreement now before us seeks to deny to the world at large opportunities of trade and, as the Prime Minister himself has said, to make it necessary for every foreign country to pay tribute to any part of the British empire it wishes to trade with. He has said this is an agreement framed for the purpose of shutting out the foreigner. Certainly that is what it is for, as the text of it well discloses. Hon. members on this side of the house are certainly not going to become parties to an agreement which places on Canada an obligation to shut out other nations from trading with her.

Mr. BENNETT: I shall take only a moment to reply to the right hon. leader of the opposition. I wish to be sure that the house and country clearly understands the principle upheld by him. A treaty for four years between a foreign country and Canada is submitted to this house, a treaty signed, as I observe, by the former Minister of Trade and Commerce. A treaty between the West Indies and the Dominion of Canada, part of the British Empire, is made for a period of twelve years by gentlemen who are now in the opposition, and approved by the then opposition, now the government. But when the government now in power submits a treaty with the motherland for five years rather than twelve or four, the present opposition, then the government, must oppose it as being bad in principle. We are asked to believe that position is sound. Hon. members opposite suggest that having supported a four year and a twelve year treaty they cannot now support a five year treaty, because we are led to believe that the right hon. gentleman opposite who asked the house to accept the four year and twelve year treaties was wrong, and that therefore this treaty is wrong. You cannot trust an opposition very far, if it is an opposition of that kind, can you?

Mr. MACKENZIE KING: I am not going to allow the Prime Minister to place any such interpretation upon my words. Any one who will read the text of my remarks will see that he has placed an entirely wrong construction upon them. I am quite prepared to leave it at that. As the right hon. gentleman well knows my objection to the length of time for which the government is seeking to bind this country has been in respect to something which, fundamentally, is entirely wrong, namely, a further increase of duties at this time in addition to all the duties which have already been imposed and further an attempt in large part to rivet these higher rates upon the country for the next five years.

Mr. RALSTON: The treaties to which my right hon. friend has referred were treaties which provided generous and assured preferences, and as such they were agreed to. I want for a moment, in connection with this article, to point out to the committee just what we have and what we have not in the way of assurance of preferences under this treaty. To what does this five years apply? What preferences do we get, and how many of these are unequivocally and unconditionally guaranteed for five years? First my right hon. friend says that we get free entry of our goods into the British market for five years. Well and good. There is nothing to say that every other country in the world does not get free entry also, except as to the few items to which I will refer. So I think we can leave the free entry out. I do not think my right hon. friend would argue that we have received

a great concession on account of getting free entry, in view of the privilege of every other country to get free entry as well.

What else do we get? We get schedule C. Therein are listed six items on which there is a guarantee of unconditional, unequivocal preference for five years. That is to say, Great Britain undertakes that the duties on those six articles shall not be reduced without the consent of the Canadian government. What are those articles? Timber, fish, fresh, sea; salmon, canned; other fish, canned; asbestos; zinc; and lead. Putting them together, what they amount to is, timber, fish, fresh and canned, asbestos, zinc and lead. Now there are five articles. Let us look at these articles for a moment. Zinc and lead must be delivered at world prices before we get the preference—that leaves only timber; fish, fresh and canned; and asbestos, as the three items in this whole treaty as to which we are unconditionally guaranteed a five year preference at a certain rate, and the rate is ten per cent.

My right hon. friend will say: You are forgetting schedule B—

An hon. MEMBER: What about apples?

Mr. RALSTON: We will deal with that in a moment. Remember this schedule C, which is the only one as to which there is a guarantee that the duties will be kept up, deals only with timber, fish and asbestos, unconditionally; zinc and lead must be delivered to Great Britain at world prices or else the preference will not be allowed. Now what about schedule B? The provision of article 2 is that the government of Great Britain will invite the parliament of Great Britain to impose the duties set out in schedule B. I point out, as has been pointed out before, that there is no provision in this treaty which says that those duties having been imposed will be maintained for five years. On the contrary the provision which purports to fix the duration of duties follows after article 2; it is article 3, and it provides only that the duties in respect of schedule C are to be maintained for five years and says nothing about schedule B. Now what are the articles in schedule B? They are apples, raw and canned, pears, and dried fruits. It is provided that parliament will be invited to impose the duties mentioned in schedule B on these articles. But there are other articles, they are wheat and copper. Are they unconditional? Not a bit. You find that as to wheat and copper, the duties may be removed if they are not delivered at world prices on first sale. What other articles in schedule B? The right hon. Prime Minister will say dairy products. Let us look and see what the provisions of the agreement are as to those. Butter, cheese, eggs in shell, and condensed milk; he will say the five years applies to those articles. But he forgets schedule A. Schedule A says that those articles, butter, cheese, eggs in shell and condensed milk, need only be admitted free for three years, and that after three years Great Britain may impose duties on those articles so long as she maintains preferential margins; and they are very careful to say, not "existing" or "the" preferential margin, but just "preferential margins." The Minister of Trade and Commerce said the other night that he understood that to mean that Britain would maintain the existing preferential margins. If so it is remarkable that they did not say so. You find "existing" margin expressly mentioned in article 7, but not here. As far as the letter of this agreement is concerned—I am going to deal with the spirit in a moment—there is no provision whatever that the British duties on apples, pears and dried fruits shall be maintained against the rest of the world for five years. Secondly there is no provision that British duties on butter, cheese, eggs in shell and condensed milk shall not be imposed against Canada so as practically to wipe out any preference to Canada.

That is the situation. I have dealt with every article there is in that schedule. Now what is the result of it all? After we have got through we find, coming back to what I said first, that there are just three items in this whole schedule, timber, fish and asbestos as to which this five years unconditionally and expressly applies and on which a definite preference, a definite margin of ten per cent for five years is given. And the only three items to which that five years might apply without any condition are apples, raw and canned, pears and dried fruit. Wheat and copper have the condition that they must be sold at world prices. The same with zinc and lead. And butter, cheese, eggs in shell and condensed milk, that is dairy products, all have the provision that at the end of three years the free entry may cease and we may have a duty imposed against us, so that there will be practically no preference at all. That is all there is in this treaty as far as assured preferences are concerned, and that is all to which this five years applies.

But the Prime Minister will suggest that there is something in regard to tobacco, bacon and cattle. As to tobacco, the provision is that Great Britain will maintain a preference on our tobacco as long as she maintains a duty, but she may take the duty off at any

time. In regard to bacon we know what the arrangement is: if Great Britain puts its house in order, if after the report of the pig commission an arrangement is made in regard to domestic production, if regulations are made then Canada will have 2,500,000 hundredweight of bacon admitted free to Britain. But it is "as, if and when." With regard to cattle the provision says that the arrangement which has already been made—not an arrangement made by this agreement—will be carried out. That is what we get from Great Britain; those are the things for which we make certain concessions.

What are the concessions? I am only going into that for just a moment. We give a fixed preferential margin on 223 tariff items. On 159 of those items we agree that the duty will remain at least as high as it is today for the next five years, because we are giving Great Britain free entry and we are agreeing to maintain the preferential margin, which means we have to keep the duty where it stands or put it higher. On 139 of these items the duty has been increased in order to get the concessions, as my right hon. friend would call them, in connection with this treaty, namely a fixed ten per cent duty on the items to which I have referred, plus the additional concessions which I have enumerated.

My right hon. friend will say we are attempting to cross "t's" and dot "i's," and that it is too strict a construction of this agreement. There has been a good deal of talk during these debates about good faith and about the spirit of the agreement. My right hon. friend used the words "warp and woof"; he said that we would find in the warp and woof of the agreement thus and so. I say to my right hon. friend that the British businessman's word is just as good as his bond; everyone admits that, but when you have required the bond from him, when you have got him to sign the bond, then he proposes to be bound by what the bond says and the bond is here. So far my right hon. friend has failed to produce a single sentence spoken by any statesman of Great Britain which changes or alters the construction which has been put upon this agreement from this side of the house. So far as we can learn everyone over in Great Britain believes that their tariff can be changed as to our goods going into Great Britain except the few I have mentioned. They believe that they can change the duties on these goods from time to time, if they so desire, and as a matter of fact they propose to change them. Even this tariff with regard to apples, pears and dried fruits can be changed; a newspaper article which was read the other night indicated that Great Britain considers that she does not have to maintain these duties for five years.

That is the situation, and when we talk about good faith we must remember that the gentlemen who came over here are skilled draftsmen; they met our representatives who are skilled draftsmen also, and together they drafted the agreement. It is not just a friendly letter from one to the other; it is a real, definite, binding document intended to be such, and I have no doubt that many hours were spent over the phrasing of this document. I do not expect that it will lie either in their mouths or in ours to say, "Well, true the agreement says that, but we meant something else." Least of all will it lie in our mouths to say that Great Britain is bound to maintain tariffs against the world in our favour on a general list of goods when the only provision we have required with regard to their maintaining tariffs is contained in clause 3, which has reference only to these six items included in schedule C. On the other hand Great Britain has been just as careful; in article 9 it is definitely provided, in effect, that we cannot reduce the preferential margins given on the goods set out in schedule E, which comprise 223 items. There you have the bargain which we are considering tonight.

I had a good deal of sympathy with the Prime Minister when he suggested that it was hardly fair that he should be asked to interpret this agreement. Why? Because he knows it will be interpreted in accordance with the letter of the agreement; because he knows there will be differences in connection with the interpretation. If it were simply a friendly letter, a memorandum in general terms, then he could have dealt with the spirit of it, but this is the agreement itself. He said to the hon. member for Winnipeg North Centre, "I have read it and you have read it; see what you make out of it." He did not attempt to suggest that there was something else in the atmosphere of the agreement which would assist in its interpretation. The agreement is there, and I think I have put on the record fairly and exactly the effect of that agreement in accordance with the way it is written. So I do not think we should say that we expect the British to live up to this agreement in "good faith" as if there were some understanding outside the agreement itself. They will live up to it in good faith; they will live up to what they have signed, and they will say that what they have signed is this agreement, and no one can blame them for doing so.

Having received these things and having given these other things, what is the result? The result is that during these five years Great Britain can go to Switzerland, if you

like, and say, "We want to buy clocks from you." She can go to the United States and say, "We want to buy some of your electrical manufactures, and we will bring down our tariff in order to do so." They may ask, "Yes, but have you not made an agreement with Canada?" Great Britain can reply, "Yes, but we did not agree to maintain a duty against you; we can let in clocks and electrical goods from Switzerland and the United States just as we let them in from Canada." They can deal with Germany in regard to cutlery and with Belgium in regard to glass and glass bottles, to take a few of the items mentioned by the Prime Minister. They can deal with Austria in regard to optical instruments and with the Orient in regard to carpets. They can deal with France in regard to toilet articles, and so on. Their hands are absolutely free; they can go to the world economic conference and say to any country, "We will take your goods free," or "we will impose a tariff of five per cent or ten per cent," as the case may be.

What is our position? With regard to 223 items our position is that we can make no bargain whatever with any other countries which will interfere with the margin of preference to Britain. This is the difference between the agreement now before us and other trade treaties, to which my right hon. leader has referred. We must say to any other country, "We cannot make any agreement with regard to these items; our tariff is fixed for the next five years. Britain is free; our hands are tied. Let us take our lumbermen when they go to sell their products. The other night my right hon. friend the Prime Minister intimated that this ten per cent preference would help the lumber business of Canada. I wish it would, but I am afraid that as against Finnish lumber, because of the exchange situation, our lumber will not get into the British market. Why are we looking for a market in Great Britain? The Prime Minister told us that formerly we sent 1,446,000,000 feet of lumber to the United States, and what did he say about our market in that country? He said that because of the United States import tax of $3 per thousand that market was practically closed to Canada. Why is it closed? Because of the tariff which my right hon. friend put on in 1930 and 1931, the red-blooded tariff which was talked about by the Minister of Railways. That led to the United States putting a duty of $3 per thousand and another duty of $1 per thousand against our lumber. The result is that we are frantically scurrying around looking for a market in which we can sell our lumber.

[Mr. Ralston.]

Mr. CANTLEY: There is nothing to that at all.

Mr. RALSTON: No, I suppose there is no relation between the two circumstances except that they happened to about synchronize. We put on the duty against the United States, and immediately the United States came back at us with a duty of $3 and $1 per thousand feet, and as a result we are looking for a market for 1,446,000,000 feet of lumber. Does my right hon. friend believe a ten per cent preference is going to find a market for that amount of lumber? According to the figures he gave us the most we ever sold to Great Britain under normal conditions was 186,000,000 feet, yet he expects that we are going to be able to market this vast quantity of Canadian lumber under a ten per cent preference. The same thing applies to fish. The Prime Minister said the United States market was closed to us; he said, "The United States high tariff makes wider markets elsewhere imperative". That United States high tariff is due in no small part to the tariff attitude of this government taken in 1930 and 1931. My hon. friend the Minister of Finance knows that the United States has been seriously considering imposing a duty on our live lobsters because of the attitude we take towards that country.

Some hon. MEMBERS: Oh, oh.

Mr. RALSTON: Oh, I know my hon. friends do not want to be responsible for their acts at all. They want to be able to shut out the foreigner; they want to close the door against the world and still be able to sell our goods everywhere. I say that cannot be done, and that is all there is to it.

That is the situation, Mr. Chairman, and that brings out the real difficulty facing us. We have tied our hands. We have lost the goodwill of good customers all over this globe, We are going to find it difficult to sell our wheat in competition with the man from the Argentine. He can go to the man in Europe and say, "Are you going to buy wheat from Canada? That is the country where they are shutting out the foreigner. We will give you a run for your money, but you cannot get Canada to take any commodities in exchange for their wheat. They are shutting out foreign products." With regard to our paper and wood products we must face competition in the United States market from Scandinavia. They will be able to tell their customers that we are the people who want to shut out

foreign products. The same thing applies to cattle, to furs and to minerals. Here are two important objections to this agreement. In the first place it ties our hands completely in regard to any arrangements we might wish to make in order to sell our goods. In the second place it leaves a bad taste in the mouths of our customers and loses to us their goodwill.

I submit, Mr. Chairman, that the analysis I have made of the schedules contained in this treaty indicates that this five year provision means that we do all the giving for five years and get very little in the way of benefits. As my right hon. leader has said, we have used the United Kingdom agreement in order to tie ourselves definitely to a tariff higher than we ever had before, at the same time closing the markets of the world to us because we insist on closing our markets to the products of other countries.

Article 22 agreed to.

On article 23:

In the event of circumstances arising which, in the judgment of His Majesty's government in the United Kingdom or of His Majesty's government in Canada, as the case may be, necessitate a variation in the terms of the agreement, the proposal to vary those terms shall form the subject of consultation between the two governments.

Signed on behalf of His Majesty's government in the United Kingdom:—

Neville Chamberlain.

Signed on behalf of His Majesty's government in Canada:—

R. B. Bennett.

RBH.
20th August, 1932.

Mr. MACKENZIE KING: May I ask the Prime Minister whether this article really concedes anything more than would be conceded if it did not appear in the agreement at all?

Mr. BENNETT: The fact is that the British advisers were of the opinion that, having regard to their experience, some such clause as this would serve a very useful purpose. The general legal principle is that where two parties to a contract agree to any variation or change, that variation or change may be made by reason of that agreement. This merely crystallizes in the form of an article in the agreement what would be an ordinary principle of law.

Article 23 agreed to.

Sections 2 and 3 agreed to on division.

Bill reported.

## WAYS AND MEANS—UNEMPLOYMENT

### PROPOSED COMMITTEE OR COMMISSION TO CONSIDER ECONOMIC SITUATION

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

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. A. A. HEAPS (North Winnipeg): Before you leave the chair, Mr. Speaker, I desire as a member of this house to direct attention to certain grievances and to ask redress from the government. We have now been in session about seven weeks, discussing important matters arising out of the Imperial economic conference. It is not my wish in any way to belittle the importance of that conference or to dispute the value of the agreements that have been arrived at and the discussion that has taken place thereon, but I do believe that there is at the present time something that is of far greater importance to this country, something that is agitating the minds of the people of Canada to a greater degree now than even these agreements which have been under consideration from the 6th day of October to the present moment.

We are going through a very severe economic crisis, the effects of which are being felt by all sections of the community, and in my opinion the house would better serve the interests of the people by discussing the economic conditions that prevail in this country than by engaging in such discussions as we have had during the past few weeks. In the course of the debate this evening the question of unemployment arose and figures were submitted to the house by my hon. colleague from Winnipeg North Centre (Mr. Woodsworth), who made the statement that in Canada at this moment there are about three-quarters of a million persons out of work. From that statement there was a certain amount of dissent. I have attempted to analyse the figures given to the house recently by the Minister of Trade and Commerce (Mr. Stevens) from the census returns and by every ordinary mathematical calculation I have made to arrive at the number of persons unemployed in Canada today, I have reached approximately the same figure as stated by my colleague. In view of the fact that some hon. members seem to dispute the figures given by the hon. member for Winnipeg North Centre, perhaps it might be well for me to suggest the method I have followed in my computation.

It is stated in the census returns that as at June 1, 1931, there were 392,809 persons unem-

ployed in Canada. That was the total number. In addition to that, there was a temporary army of unemployed of 42,443, making a grand total of 435,252. Now, if that was the total as at June 1, 1931, how are we to arrive at the unemployment figure today? This is the way in which I arrived at the present figure. If I take the employment index figure as at September 1, 1929, which was the peak of employment in Canada, I find that it was 126·8, and on June 1, 1931, the index figure was down to 103·6. That meant, by percentages, that there was a reduction in employment in that period of approximately 18 per cent. If 18 per cent represents the difference between the index figures on September 1, 1929, and June 1, 1931, the question is, how shall we arrive at the figure at the present time? About September 1, 1929, there may have been out of work in Canada approximately 35,252 persons, and if at that time there were that number out of work, then there has been an increase of 400,000 between that date in 1929 and June 1, 1931. Now, between June 1, 1931, and October 1, 1932, the index figure of employment has dropped to 86·7, which means a further reduction of 16 per cent. If 18 per cent represents 400,000 unemployed, then an additional reduction of 16 per cent would bring the total number of unemployed to approximately 750,000.

I am not stating these figures in order to make capital out of them but simply in order that we may have the facts clearly before us; it will then be easier for us to adopt a more intelligent attitude towards this question than has been adopted for a number of years past.

I hope the party flavour will not be permitted to enter into this discussion. When party passions rise we are apt to lose sight of the importance of the matter under consideration, and at times we indulge in the sport of one party getting after the other. This is probably the most serious unemployment situation ever faced by this country, and I hope hon. gentlemen will not forget the vast number of unemployed and those who are dependent upon them.

As I have stated, the unemployed number about 750,000. The census figures show an employable total of 2,500,000, so it would appear that more than twenty-five per cent of our total employable population is without employment. If we discuss the past, I hope we will discuss it in such a way as to be a guide to our future actions. If we learn from experience, we should be better equipped to guide ourselves in what we may do for the future. There have been many discussions in this house in the past upon unemployment. Going back to 1925, when I was first elected to this house, I cannot remember a session when I did not raise this problem in one way or another. Therefore, I do not feel that I need to apologize, especially under present conditions, for raising this question and asking redress from the government.

It has been stated in some quarters that this problem is of a temporary character. But it has been confronting us ever since the crash and debacle of 1929; from that time onward things have been going from bad to worse until today we have reached a situation where no one can predict what will happen in the immediate future. When a condition such as this has prevailed for about three years, I do not think anyone will be bold enough to say it is temporary in character. Prosperity has been promised to us for many years, but it seems to be as far away as ever. We have been told it is "just around the corner," that we have "reached the bottom," that there are "signs of a revival," but I do not think these statements are taken seriously now by many people in the dominion.

The government has attempted to deal with this problem; only the other day the Minister of Labour (Mr. Gordon), informed the house that there were 800,000 souls being fed by the government. That is a stupendous number, about eight per cent of our total population, yet it does not take into consideration those who are being looked after through other sources. The old manner of dealing with the unemployment problem apparently has proved to be inadequate. We have failed to find a solution of the problem; we have failed to improve conditions, and I think it is about time we looked in other directions for relief. As one branch of parliament we have great responsibilities which cannot be overlooked, even though some would like to overlook them. The people of this country are looking to parliament for redress; they have elected us as members of the House of Commons in the hope that we may be able to improve conditions. I have no doubt that every hon. member of this house said something about unemployment when he stood for election a little over two years ago. He promised he would try to bring about better and improved conditions for those whom he hoped to represent in this house. If the unemployed of this country cannot look to parliament for redress, I wonder in which direction they will look? In my humble opinion this parliament is the only place where the vast masses of our people

can look to for redress at the present time. We were sent to this house by the votes of human beings, we are here to represent human beings more than we are here to represent property rights or property interests. When we deal with questions so important as unemployment, the human element should receive our first consideration.

As a nation I believe we are today wealthier than ever before in our history, yet, paradoxical as it may seem, in this year 1932, the more bread we have, the more breadlines there are; the more shoes we produce, the more shoeless there are; the more clothes we manufacture, the more there are without clothes; the more homes we build, the more there are looking for shelter; the more wealth we produce, the greater is the poverty. If such conditions exist, then it is up to parliament to study these problems, perhaps from a different angle than that from which they have been studied in the past, and discuss them in the light of newer methods than have been adopted in the past in Canada and other parts of the world.

I think the people of this generation have more understanding. They have a little more education than our fathers or those who have gone before us, and they see the things to which I have just referred. They see this tremendous abundance accompanied by great poverty. This unemployment problem is one which this parliament ought not to attempt to shelve; it is a problem which should be dealt with and this parliament should not adjourn until it has been dealt with.

Even with this tremendous accumulation of wealth and commodities, because of the lack of opportunity to the average person in this country to have access to this consumable wealth, our workshops are more or less at a standstill and men and women in large numbers are out of employment. Not only are there large numbers out of employment but there are hundreds of thousands of people who are today working short time and earning hardly sufficient to keep body and soul together. We have idle men, idle women and idle factories as well as a tremendous amount of consumable goods lying idle in our warehouses. It would appear that industry and finance under their private ownership have failed completely to function and have been responsible for bringing about the present crisis. I think it is the duty of parliament to attempt at least to find a way out of the difficulties which confront us. The financial debacle of recent years has not affected our wealth one iota. It is quite true that paper fortunes have disappeared; that people who a few years ago thought they were wealthy find today that they may not be as wealthy as they thought they were; but that does not mean that the real wealth of the country has disappeared from our midst. The real wealth of the country lies in our factories, workshops, warehouses and natural resources. It is only when those natural resources have applied to them the labour power of the people that real wealth is produced, and today we have that in abundance. We have more up-to-date equipment in our factories than we have ever had before in our history, but at the present time, as a result of the chaotic conditions through which we are passing, we are not producing anything for the benefit of the great masses of the people.

I might cite as an example of what I have just stated to the house a case which occurs to my mind. I refer to the Canadian Pacific Railway Company. I am citing that, not because I have anything in particular against that institution. but because it comes to my mind at the moment. A few years ago the shares of that company reached a value of something like $250 each, and at that time the people who owned them thought they possessed a great deal of wealth. Those shares have dropped to about $60—I am speaking approximately—and those who thought they were wealthy found the largest part of their wealth had disappeared; what they thought was worth $250 is worth today only about $60. No real wealth however has disappeared; the only thing that disappeared was the value of those shares, and it did so because the railway was not utilized to the same extent as it was in previous years and is not able to pay the dividends it formerly did. But in spite of the fact that the shares may be only a quarter of what they were previously, the whole of the rolling stock, equipment, roadbed, hotels, steamships, are here today exactly as they were a few years ago. What applies to the Canadian Pacific applies to practically every other industrial concern in the dominion. What has disappeared, to a very large extent, is values, but the wealth of the country is present today—in probably greater abundance —than it has ever been before in our history.

If our industries are not functioning—and we know they are not—one of the duties of parliament should be at least to attempt to see that they function and that the men who were formerly employed in them are again employed and given an opportunity of earning a decent livelihood. For many years all these industries which have been under private ownership and control have to a certain degree been able to accumulate profits; they have

continued to operate as long as profits were in sight, but the moment profits are not available, those industries naturally cease to function. Then the question immediately occurs to my mind: What should be the purpose of industry? In my opinion the purpose of industry should be primarily to satisfy the wants of the human beings within the community. But such is not the case. Today the primary purpose of industry is not to supply the needs of the human beings in the community, but to see that those who own the industries reap their rewards and profit from them.

There is no doubt that at the present time we are facing an acute economic crisis. This is not the first time in the history of Canada that we have faced a crisis. My mind goes back to the time of the war when we were facing a very severe external crisis, and when the government of the day mobilized, so far as it could, the man power of the country and found that under the circumstances it had the right to call upon human beings to give their lives, if need be, in coming to the rescue of the state. If in a time of crisis the life of a human being is not too sacred for the government to lay hands upon, I think we can at least afford to take courageous action in the present circumstances, and even if we go to the extent of doing something which might impair property rights, we would be quite justified in taking such steps. I believe the present emergency is in many respects even greater than that of 1914. We have today not an external crisis, but an internal one where three-quarters of a million people find themselves without employment and, what is even worse, without any prospect in the immediate future of their being absorbed into any kind of industry. I want the house for a moment to attempt to realize what that means—three-quarters of a million people, men and women, tramping the streets day in and day out, week in and week out, looking for a job when there is no job, and then perhaps after a time, against their will, being compelled to seek public assistance in order to keep body and soul together! I know many of those men who are out of work; I know the difficulty and the tremendous ordeal it must be for them, probably for the first time in their lives, to be compelled to go to a public body and ask for assistance. The first time it is done with extreme reluctance; the second time is not so hard as the first; the third is not so hard as the second and the fourth is even easier than the third. Finally they reach a stage where we ourselves, as a result of our inaction in this internal crisis, have demoralized perhaps hundreds of thousands of our own people. I should like to impress upon the house the seriousness of that aspect of the situation—hundreds of thousands of people in this dominion, so rich in its resources and wealth, with no hope or prospect of being able to accomplish anything in the immediate future in the way of earning their own livelihood.



We have been told many a time in this house about the courage and fortitude of our Canadian people. I wish a little courage could be shown in this house and that we would take courageous action in order to meet the existing crisis. Parliament has a duty; it also has certain functions. I believe the first function of parliament is to govern, and the second is to see that our people are fed, clothed and sheltered. I am not going to say how the latter function is to be fulfilled, but I believe these are two of the main functions of government. The state is supposed to be the guardian of public rights and public well-being. If we at this juncture in our history admit our impotence to deal with the present economic situation, then this is an admission of our total unfitness and inability to govern. Parliament in its supremacy has allowed institutions to grow up that are more powerful than parliament itself. It is high time that parliament, having over a period of years allowed those institutions to grow up and become as powerful as they are today, should re-assert its supremacy and be what it ought to be, the sovereign body in the land.

During the past fifteen or twenty years production in Canada as well as in other parts of the world has increased by leaps and bounds. One would have thought that with the enormous increase in production during the last fifteen or twenty years there would have been increased happiness and increased contentment among the great masses of people. Untortunately that has not been so. Increased production has merely meant an increased spread between wages and production, and the benefit of it has gone to comparatively few people in Canada.

For a few moments I should like to direct my remarks to production, consumption and wages. Statistics show that during the past few years the average production of a person in employment has increased approximately 50 per cent; in other words every person working in industries over a period of fifteen years has shown an increase in his productive capacity or efficiency of approximately fifty per cent. During that same period wages have increased comparatively little, and the whole advantage from increased productivity has

gone to comparatively few people. It has also been shown that wages today in relation to production are only about twenty-five per cent; in other words, I think our statistics show that a person receiving $1,000 per year in wages is producing $4,000 worth of commodities. I claim therefore that unless that spread between wages and production is narrowed down, made much smaller than it is, there is no hope of solving the problem of unemployment, because the money received by a person in wages represents his purchasing power. If he can buy back only one-quarter of that which he produces there is bound to be an accumulation of commodities which will not be consumed, and the greater the accumulation the greater ultimately is the problem of unemployment.

When I refer to production and wages, and say that I want to narrow down the spread, I do not wish hon. members to think that I would narrow it down by reducing production. First of all, I wish to see real wages increased. Secondly, I wish to see production kept at a high level, because I still believe the more capital goods we can produce, the more consumable goods we can produce, the better it should be for all concerned. I do say, however, that there ought to be a reasonable level between production and consumption, otherwise we shall continue to be faced with problems with which we are confronted today. I do not wish to cut down production; far from it. I want to increase consumption. Some people in recent months have advocated cutting down production. I am opposed to cutting down in any way our productive capacity; on the contrary I should prefer to begin at the other end of the problem and make an effort to increase the consumptive opportunities of the Canadian people. Therefore when I speak of balanced production, or reasonably balanced production and consumption, I imply an opportunity to increase our consumption to an extent much greater than obtains at the present time.

At this point I am pleased to observe that in recent weeks the Prime Minister himself has been discussing the matter from a very different angle than usual. It would seem that recently his views are changed from those he held in past years. I note that on November 4 the right hon. gentleman spoke in the city of Montreal and discussed briefly the problem of unemployment. The heading in the Montread Star is as follows:

Accusations answered in fighting speech here.

Then follow the Prime Minister's remarks:

The cataclysm that has struck our civilization is a catastrophe of a universal scale, it has touched every country in the world and the hundreds of thousands and millions of unemployed that we find in every part of the world are the direct result of overproduction, underdistribution and buying, the lessening of purchasing power and the development of all those tendencies that are attributable to the Great war and its after effects.

I must congratulate the Prime Minister on the great advance he has made, and I hope he will continue to show the same progress in the future as is reflected in his speech delivered in Montreal. However there are some further comments attributed to him about which I am not so enthusiastic. He said:

When that was once realized, we then understood clearly that no action of Canada with its 10,000,000 souls could make any perceptible dint on this terrible catastrophe.

That was also part of the Prime Minister's statement concerning the problem of unemployment, but with this latter assertion I cannot agree. True, we are suffering from a world condition; true, again, people in Canada are no doubt suffering in part, from conditions prevailing in other parts of the world. But if we have in Canada hundreds of millions of bushels of wheat, and if the people in China, Japan or other parts of the world cannot buy our wheat, that is no excuse for people within our own borders being without bread. If we have a surplus of all commodities and people in other parts of the world are unable to consume those commodities, that is no reason why our Canadian people should do without the things produced within the dominion. If other countries cannot buy our goods, at least we should put that purchasing power into the hands of our own people and give them the opportunity to buy the things which we are producing in superabundance.

The crisis through which we are passing has not been visited upon us by some supernatural force. This is a man-made crisis, and if it is man-made, if we are in some degree responsible, I think there should be, and I have no doubt there is, sufficient intelligence among our own people to enable us to get out of it. This government and other governments have made efforts to deal with the unemployment problem. A good many remedies have been tried. The present government has put into effect a great deal of legislation designed to meet an emergent situation. I state frankly that the government has done a great deal by way of direct relief and creating relief works but relief and relief works are not a cure for unemployment.

I do not wish to take up too much time of the house, but I should like to deal with one or two aspects of the question of unemployment. First, there are the men, women and children who are without any visible means

of subsistence at the present time, and to whom immediate attention must be given. In connection with them there is a necessity for direct relief pure and simple. For their comfort the government have done a great deal, but its activities have been purely administrative. If the amount of relief is not sufficient—and many people say it is not—then we are faced with a question of administrative action to raise the amount of relief sufficient to meet the needs of the unemployed. At the moment, however, I am more deeply concerned with the problem of unemployment than in the relief of the unemployed. I think I am not limited, Mr. Speaker, to forty minutes on this occasion, as I intend to move an amendment which will perhaps give me the extra time that I desire. A few moments ago I said I wanted the house to take courageous action on this question of unemployment. I know the amendment I am about to move will not at first sight look so very courageous, but I think that before we take action we should at least have more information before us, and under the circumstances I would hardly expect the whole house to sit and discuss in detail this very important question. Therefore I think it desirable to have a committee or commission go into this question of unemployment in the most thorough way possible, and my amendment will deal with the question of the appointment of such a committee or commission. Then I will deal with what I should like to be the terms of reference to such body. I therefore move the following amendment:

That all the words after the word "that" be struck out and the following substituted:

That in the opinion of this house it is desirable that a committee or commission be appointed to consider the economic situation in the dominion with special reference to unemployment and to report back during the present session of parliament.

I have said that in dealing with this unemployment question we have tried the method of relief, we have tried public works, and neither of these has been found to be a remedy for the situation. We have tried tariffs, and tariffs have not solved the problem. We have tried reductions in wages, and that has only accentuated the problem. We have tried dismissing men and women from employment, and our lead was followed by a great many other people, but that again has only aggravated the problem and in no way tended towards a solution. In Great Britain, where they are faced with a somewhat similar situation, they thought a year or so ago that their solution lay in remaining on the gold standard. Then when they went off the gold standard they thought that by doing so their problem would be solved. But neither remaining on nor going off the gold standard has proved to be a solution. In view of all the efforts made in this parliament and in other countries, I think it is obvious that there is something radically wrong with the whole of our economic structure, that the conditions which have existed for three years will not yield to the methods which have been adopted by this and other governments. Therefore I claim that it is the duty of this parliament to attempt to find a way out of the difficulty. Many men and women today are expressing keen dissatisfaction with the existing order of things. They feel that perhaps we have to look for a new social order to provide the way out. For these reasons I ask that this matter be referred to a committee or commission for investigation.

Mr. MACDOUGALL: What is your suggestion for the cure of unemployment?

Mr. HEAPS: My hon. friend has heard me speak in this house on many occasions and I have put forward many a time my own method of dealing with this question. If I had not moved this amendment I would have been very happy to deal more exhaustively with what I would suggest as a way out. In putting my amendment, which is seconded by my colleague from Winnipeg North Centre (Mr. Woodsworth) I would like to refer to that committee or commission eight items which I suggest should be the terms of reference.

First, I would like it to consider ways and means of eliminating unemployment—a rather tall order, I admit. Second, I would like it to consider the question of jurisdiction as between federal and provincial governments; third, seasonal unemployment; fourth, technological unemployment; fifth, reduction of hours of labour; sixth, increase of real wages; seventh, annual productive capacity and consumption in relation thereto, and also the potential productive capacity of the Dominion of Canada; and eighth, the spread between wages and production.

I do not know whether at any previous time this House of Commons has ever appointed a committee or commission to consider questions of the kind to which I have just referred. I know that in 1919 a commission was appointed by this parliament that dealt with the internal unrest. They made an exhaustive investigation, lasting approximately two months. From the time the order in council was passed until that commission reported back to parliament less than three

months' time was consumed. In their report they said that the chief causes of unrest were, first, unemployment and the fear of unemployment. That was away back in 1919. Later in the report they recommended an immediate inquiry into the question of state insurance against unemployment, sickness and invalidity. During all the intervening period of about thirteen and a half years this parliament outside of the couple of years that we inquired into the question of unemployment insurance, and the promise which the right hon. Prime Minister made to introduce legislation during the life of this parliament dealing with the question—and I hope that promise will be carried out in the near future—except for that we have done nothing fundamental with the unemployment problem, and today we are faced with the most serious problem that we have ever been faced with in the history of Canada. Therefore I think it is time this parliament took action.

I know it may be said by some that this is a provincial question. But I do not think so, because already this parliament has footed a very large part of the unemployment costs. I know that in the election of 1930, as well as on previous occasions, unemployment was the chief issue, and it was that on which the people of this country voted as they did in 1930. Now we have to go back to our consituencies when this parliament adjourns in the next week or so, and face our constituents. We have got to face people who are out of work. I know that when I go back to my own constituency, or almost any constituency in Canada, and address the people on questions of the hour, the first question that is always put to me is: What is parliament doing about economic conditions? What is parliament doing about the unemployment situation? So far this session what could I tell them? We have done practically nothing. We have been in session six or seven weeks and up to now have not discussed in any fundamental or even ordinary way the question of unemployment. Therefore I would ask the house to give to my amendment that consideration which I believe it deserves. I have not put it before the house with the idea of attempting to shelve the question of unemployment, I would like the government to understand that. I have asked that the committee or commission deal with this question immediately and in a fundamental way, because I believe that if they do that, they would be bound to come back with some fundamental suggestions to deal with the problem, which so far we have not faced in the way it ought to be faced.

Today, Mr. Speaker, the people of this country together with the people in other parts of the world are going through a very difficult period. In other countries we see governments tottering, we see upheavals, we see men and women hungry and appealing in one way or another for the chance to earn a decent, honest livelihood. For many years the great masses of the people in this country, as well as those in other parts of the world, put up a stern fight for what we might term a political democracy, for the right to vote and have their own representatives in parliament to express their opinions. That fight has been won; it is almost history today. Now there is another fight to be won; we are entering upon another phase of civilization. Today it is a question not of a political democracy but of an industrial democracy in which the great masses of the people of this country will have the opportunity to enjoy the fruits of their labour, to work and help build up a state worth while, a state in which every able-bodied man and woman can do something, in his or her own way, for the good of the country, which will look upon the individual as a part of the state and give to him an opportunity of working and living in decency, comfort and happiness. I hope, Mr. Speaker, that the government will accept the suggestions I have made and start to deal with this very important question in a fundamental way.

Right Hon. R. B. BENNETT (Prime Minister): I rise merely to direct attention to a rule that has been observed in this parliament since we have had a parliament. I refer to the rule that a matter debated and disposed of should not be raised again during the same session. Rightly or wrongly the matter was presented in an amendment to the address, moved by the right hon. leader of the opposition, in these words:

> Whilst reserving any expression of view upon the merits of the agreements concluded at the recent Imperial economic conference, this house is of the opinion that the tariff policies of the present administration have seriously injured the trade of Canada . . .

Then later:

> The house regrets that, except the dole, the government has no policy with respect to the relief of unemployment.

That will be found at pages 80 and 81 of the votes and proceedings. Then a subamendment was moved in which the currency question was under consideration, and it was alleged that the effect of the changes recommended by the hon. member for Macleod (Mr. Coote), would be to provide employ-

ment for our people. That was the substance of the subamendment. On those motions the house divided; on the subamendment the vote was 18 to 66, and on the amendment 30 to 60.

There is no more salutary rule than that once the debate is concluded and the vote taken, the same question shall not be again raised during the same session. The matter was debated at very considerable length on the amendment of the right hon. leader of the opposition, and it was competent to those who now have moved this amendment to have moved a subamendment, because in either event the motion is one of want of confidence. May also lays down the rule that inasmuch as in the estimates there is an amount of $975,000 in this connection, the motion is out of order.

But whether you invoke the first or the second rule, the one thing clear is that opportunity for discussion has been offered. That opportunity was availed of, with the result that the amendment and the subamendment to which I have referred were negatived. The government has no objection to the fullest possible discussion of any question, within the rules, on going into committee of ways and means or supply, but it is another thing altogether when a motion of want of confidence is raised in this manner. Therefore I regard it as my duty to direct attention to the fact that the rules of the house do not contemplate more than one debate on the same matter during the same session, involving in either case a motion of want of confidence in the administration.

Mr. MACKENZIE (Vancouver): Would you please read, Mr. Speaker, the amendment moved by the hon. member for North Winnipeg (Mr. Heaps)? I did not hear it very distinctly.

Mr. SPEAKER: The hon. member moved:

That all the words after the word "that" be struck out and the following substituted:

That in the opinion of this house it is desirable that a committee or commission be appointed to consider the economic situation in the dominion with special reference to unemployment and to report back during the present session of parliament.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): On the point of order, Mr. Speaker, I do not think we can say that the subamendment dealt with the question of unemployment except incidentally. The word unemployment was mentioned; the fact that we had unemployment, depression and a number of other things was set out in the preamble of that subamendment, but it would require a long stretch of the imagination indeed to rule that the question of unemployment in Canada was threshed out in connection with the subamendment. I submit that the rule invoked by the Prime Minister does not apply to the subamendment.

Mr. BENNETT: I did not say that; I said it might have been discussed. I did not say it was fully discussed. I said it was debated and that it could have been discussed to the fullest possible extent under the amendment and subamendment.

Mr. WOODSWORTH: But unless it was discussed and voted upon the rule would not apply.

Mr. BENNETT: It was discussed on the amendment.

Hon. IAN MACKENZIE (Vancouver Centre): On the point of order, Mr. Speaker, my submission is that the motion made by my hon. friend from North Winnipeg (Mr. Heaps) is entirely different from the substance of either the amendment moved by my right hon. leader on November 4, or the subamendment moved by the hon. member for Macleod. Both the amendment and the subamendment dealt with the failure of government policy in regard to the unemployment situation, but as I understand the amendment now being moved it is an entirely new matter. It asks that a committee or commission be set up to investigate the economic situation in regard to unemployment and has nothing whatever to say in regard to government policy or lack of policy. It is an entirely new matter that has not been discussed in the house this session, and therefore is entirely in order.

Hon. ERNEST LAPOINTE (Quebec East): I will not repeat what my hon. friend from Vancouver Centre (Mr. Mackenzie) has just said, but I wanted to raise the same argument. I refer your honour to page 330 of Bourinot, to show that even if the present amendment were part of a former motion it would be in order. On the question of the renewal of a question during a session Bourinot says:

If a motion has been negatived, it cannot be afterwards proposed in the shape of an amendment. In case a motion has been withdrawn it may be again proposed, as the house has not previously determined the question, and it is only in the latter event that the same question may not be revived. If an amendment has been negatived, a similar amendment cannot be proposed on a future day. It has been decided, however, in the Canadian Commons, that an amendment is in order when it comprises only a part and not the whole of a resolution previously voted on by the house.

This is not even a part of the amendment moved to the address in reply to the speech from the throne, and I submit that the point of order is not well taken.

Mr. HENRI BOURASSA (Labelle): There is one aspect of the objection which has been raised by the Prime Minister which should not be disregarded. The Prime Minister says in effect that this is a motion of want of confidence. Not having May or Bourinot at hand I must rely on my memory, which I think is pretty good. It will be seen, both in May and Bourinot, that a motion in amendment to a motion to go into supply or into committee of ways and means is not of necessity a motion of want of confidence. More than that, I was a witness myself to the government accepting an amendment to that effect, if the wording of the amendment and the spirit of it were not in condemnation of the government's policy.

Now, the basic difference between the motion made by the hon. member for North Winnipeg and that part of the motion made by the leader of the opposition in the debate on the address is this. Reference to unemployment in the amendment moved by the leader of the opposition was a condemnation of the government for their neglect; this is a suggestion which bears no signification of blame whatever. Therefore the government is at liberty either to accept or to reject it. Suppose the government in their wisdom found that the working of such a commission would help them; by accepting this suggestion they would be doing what Mr. Fielding did on one occasion which I related to this house a few weeks ago, the occasion upon which a friend of the government, Mr. Russell, the member for Halifax, offered a suggestion the effect of which was to induce the government to change their policy.

Mr. BENNETT: That happened in connection with the Australian treaty.

Mr. BOURASSA: Yes. I remember also another occasion when Mr. Costigan—I think it was he—made a motion which came very near condemning the government; nevertheless it was accepted by Sir John Macdonald because the government found in it some suggestion which they thought might be useful to them.

I respectfully submit to you, Mr. Speaker, and to the Prime Minister that the basic difference between the present motion and the motion which was made by the leader of the opposition lies in the fact that this suggestion is not by way of condemnation of the government, but is rather advice to parliament to adopt a certain measure. I think that for the future, as well as in this instance, the Prime Minister would be well advised to withdraw at least that part of his objection to the motion.

Mr. MACKENZIE KING: May I mention to the Prime Minister that when the government of the day was considering the reciprocity agreement with the United States, or to proposed changes of the tariff in relation thereto, the house was about to be moved into committee of ways and means, and the Hon. Mr. Monk at the time introduced an amendment which was accepted by the government of Sir Wilfrid Laurier. And that was an amendment not altogether different in spirit from the one which has just been made; is was declaratory of certain rights of the commons in one or two particulars, and it was accepted by the government of the day. The government was about to consider tariff items, just as we are at this very moment, and I think that precedent is a complete answer to what my right hon. friend has said.

Hon. HUGH GUTHRIE (Minister of Justice): I hardly think a government could accept the present motion as anything but a motion of want of confidence. The motion is a tacit condemnation of the government. It calls for a committee to do something which the government has not seen fit to do and therefore, as I say, it is a tacit condemnation of the policy of the government, and as such is a vote of want of confidence which must be resisted. Now, the question of unemployment has actually been discussed and voted upon during the present session. That is the main thing to consider. The subject has been under discussion and a vote of this chamber has been taken in regard to it. That, Mr. Speaker, rules further discussion, either by way of this amendment or by any other motion, out of order during the present session. The other point raised by the Prime Minister is one which is worth considering too. This whole matter will be under discussion on the estimates; there is an item for unemployment in the estimates. Surely there is some termination to discussions in this parliament.

Mr. WOODSWORTH: May I ask the minister before he sits down whether that item in the estimates does not relate to one particular class of the unemployed?

Mr. GUTHRIE: It is called to my attention that it is a vote for unemployment.

Mr. WOODSWORTH: It has reference only to pensioners.

Mr. GUTHRIE: However, I am not going to dwell on that point. I merely emphasize the main point, namely, that the matter has already been discussed and decided during the present session and cannot be discussed again.

Mr. A. A. HEAPS (North Winnipeg): May I point out, Mr. Speaker, that it would be quite possible, under the interpretation which the Prime Minister has attempted to give to the rules of procedure, and in accordance with what the Minister of Justice has said, to shut off discussion of this very item at any time during this session. It would make the speech from the throne comprehensive enough to embrace every question, and the speech having been voted upon no question discussed thereunder might be brought up again. There is no one in this house, may I say, who has availed himself more freely in the past of this very opportunity which I am now seeking than the Prime Minister. I have in my hand Hansard 1930—

Mr. BENNETT: The question now before the house, Mr. Speaker, is a question of order.

Mr. HEAPS: I am dealing with the question of order. In 1930, I remember, a similar motion was made and was discussed, and there was no question as to the propriety of the motion, after the speech from the throne had been voted upon and an amendment somewhat similar to the one now before us had been discussed. On the motion to go into supply an amendment was moved dealing with unemployment. I will read the amendment to show the difference between the motion made two years ago and the motion now before the house. That motion read:

That all the words after "that" be struck out, and the following be substituted:

"in the opinion of this house the government should take immediate action to deal with the question of unemployment."

I was glad to observe on March 31, 1930, that the present Prime Minister voted for that amendment. I submit that if the interpretation which the right hon. gentleman now endeavours to put upon the rules of procedure is accepted it will narrow discussion to the point where private members will have practically no redress whatever.

The Minister of Justice has referred to the item in the estimates dealing with unemployment. May I read the item, which appears under administration of justice. There are the following headings: penitentiaries, legislation, agriculture, pensions, mail subsidies and steamship subventions, miscellaneous. Then:

Pensions and National Health—unemployment relief—further amount required, $975,000.

[Mr. Woodsworth.]

It is for unemployment relief only so far as pensioners are concerned, and when we are in committee on that item the Chairman may quite possibly confine the discussion to that one particular aspect of the unemployment situation. We have not yet reached that item in the estimates, but if the interpretation which the Minister of Justice puts upon the rule is sustained, when the general estimates come before the house it will be impossible to raise any question that is not strictly relevant to that particular item. I trust, Mr. Speaker, that on this occasion, as custodian of the rights of private members, you will come to our assistance and rule the amendment in order.

Hon. PETER HEENAN (Kenora-Rainy River): I would remind the Minister of Justice that when a similar amendment was before the house in 1930 he took a view diametrically opposite to that which he has expressed to night, because I recall his words, wherein he stated that the government need not accept as a motion of want of confidence, the amendment then proposed. I just wish to remind him of that fact.

Mr. GUTHRIE: It all depends on the motion.

Mr. CASGRAIN: Anything was good enough to get into power in those days.

Mr. SPEAKER: As this is a very important question affecting the interpretation of the rules of the house, I will reserve my decision until three o'clock tomorrow. Only twenty minutes remain of this evening's session and I shall compare the amendment moved earlier in the session with the amendment now before the house before deciding upon the question.

Mr. BENNETT: In the meantime, the discussion can proceed on the motion to go into ways and means. It is only the question of the amendment that I am directing attention to, but there is no reason why the discussion should not proceed for the next twenty minutes.

Mr. SPEAKER: There is no reason why the debate on the motion to go into committee should not be continued regardless of whether or not the amendment is found to be in order.

Mr. WOODSWORTH: Under the circumstances, would your honour call it eleven o'clock?

Mr. LAPOINTE: The Minister of Labour wanted to speak.

Mr. WOODSWORTH: Have I a right to speak?

An hon. MEMBER: The minister has the floor.

Mr. WOODSWORTH: Have I a right to speak now?

Mr. SPEAKER: The hon. member is in order in speaking.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): My colleague has discussed the extent to which unemployment has grown in this country. I do not think anyone can doubt the seriousness of the situation. The census figures as at June 1, 1931, show 471,668 unemployed, but this figure may have included some who were unemployed through sickness. However, I submit that it does not include those who were working for themselves or those who never had jobs. There must also be added the large numbers of young people who have not as yet been absorbed into industry. I submit that there is no prospect of improvement in the immediate future. The indices of business conditions are not favourable. It is true the Prime Minister as a professional optimist, along with Mr. Hoover, another professional optimist, may tell us that everything is on the mend, but that viewpoint is not borne out by a careful study of business indices. I think we are safe in assuming that there is no sign of relief upon the horizon; indeed the primary causes of unemployment would seem to be permanent. I should like to call the attention of the house to a very suggestive article which appears in the New Outlook of November, 1932. This is an article by Wayne W. Parrish and is entitled "What is Technocracy?" Since there are certain hon. members who do not read these articles upon the economic situation, I propose to read a few extracts. The first is:

> The ancient miller of Athens or Rome ground out in a day, between his two crude milling stones, a barrel to a barrel and a half of indifferent flour. A modern flour mill in Minneapolis produces 30,000 barrels a day per man with a much shorter day and a much better flour. But for whom?
>
> A shoemaker of ancient Rome took five and a half days to make a pair of shoes. The 7,200 shoemakers in the shoemakers' guild of Roman days would make only 7,200 pairs of shoes in five and a half days. The same number of employees in a modern shoe plant in five and a half days would produce 595,000 pairs of shoes. But for whom?
>
> The brickmakers for over five thousand years never attained on the average more than 450 bricks a day per man,—a day being over ten hours. A modern straightline continuous brick plant will produce over 400,000 bricks a day per man. . . .
>
> A photograph of a modern steel rolling mill in full operation will show a large plant without a human being on the floor. . . . Machines were recently installed which produce 2,500 to 2,600 cigarettes a minute, compared with the previous maximum of 500 to 600 cigarettes a minute. . . . A still more fantastic illustration is in incandescent lamp manufacture, where one man is doing today in one hour as much as it took him 9,000 hours to do only so short a time past as 1914. It required only a force of thirty-seven men six weeks to build this high-speed machine. . . . In pig iron production one man working one hour can do what it took him 650 hours to accomplish fifty years ago. In agriculture one man can do in one hour what it required 3,000 hours for him to accomplish in 1840. A still more striking example is a Milwaukee plant with its daily output capacity of 10,000 automobile chassis frames and 34 miles of pipe line with a total of 208 men in the plant. . . . Technocracy tells us that with what is known now about the application of technology, the adult population of this nation would have to work only four hours a day for four days a week to supply us with all our material needs.

If the statement of these technicians is at all correct, it is manifest that our present way of dealing with unemployment is nonsensical and that we must find some fundamental solution of this problem. I quote again:

> The steam engine was introduced, electric power came into being, and within one hundred years we have multiplied the original output rate of the first, or human, engine by 9,000,000, as expressed in a modern energy transversion unit! But most significant of all is the astounding fact that most of this advance, or 8,766,000 of the 9,000,000 increase, has come within the last thirty years. Is it any wonder that our ancient political system is hopelessly incompetent to furnish the rigorous and exacting technical control necessary to save our highly powered industrial system from collapse?. . . It is after sober, scientific review of such facts that our engineers report that we are faced with the threat of national bankruptcy and perhaps general chaos within eighteen months. . . . We have been attempting to operate the delicate controls of a high-powered energy civilization with methods that were crude enough in the ox-cart days when almost every home was self-sufficient and independent. . . . We are faced with the problem of having to desert a system that has become obsolete and at the same time of designing a system to take its place.

I submit that the present relief policy is wholly inadequate, resulting as it does in hardship and demoralization. Indeed, I do not know that it can be said that the government has a policy on relief matters. It had when it came into office, and I think that policy can be summed up in three sentences uttered by the Prime Minister, as appear in

Hansard of September 10, 1930. At that time he said:

> Many of us who sit on this side of the chamber believe that the policies of a government in a new country with practically untouched resources are responsible for unemployment.

That is what the Prime Minister believed in 1930; now he says the policies of the government are not responsible for unemployment. He has completely reversed his position. He continued:

> But a problem, local and provincial in its nature, may become a national problem, and this particular problem has become a national one.

That was said when we had only half the unemployed we have to-day. Again he has reversed his position; he says now the problem is primarily one for the provinces and the municipalities. He continued:

> The basis of these measures is work, not charity. It is to provide employment for wages, and not for doles.

Yet a few days ago the Minister of Labour (Mr. Gordon) rose in his place and told us that 800,000 people were on the dole. As yet the government has not stated even a general relief policy. I noticed the other day that representatives of the western provinces were down here and had asked the government to give forty cents per man per day, but the government has apparently not decided to give even that. This is the situation at which we have arrived after these months and years of control by the present administration. The best we can hope to get is perhaps forty cents per day per man, and that is to be charity, a dole.

Mr. ROBINSON: And food and clothing, don't forget that.

Mr. WOODSWORTH: Men to be given this without doing any work at all. They are to be fed and clothed for forty cents a day. I mean they are given forty cents a day.

Mr. MALONEY: With board.

Mr. WOODSWORTH: No, without board.

Mr. MALONEY: Terrible.

Mr. WOODSWORTH: The hon. gentleman is facetious. I wonder whether he knows what it means to try to live on forty cents a day. I hope he will return to his constituents and endeavour to tell them he expects them to live on forty cents a day when even members of parliament get considerably more than that, when high officials in this country get a great deal more, when great industrial magnates receive thousands of dollars a day.

Mr. MALONEY: That is some argument.



Mr. WOODSWORTH: I wonder whether any man can live on forty cents a day; and I believe the government is not willing to provide even that.

An hon. MEMBER: More raving.

Mr. WOODSWORTH: Mr. Speaker, I understood a few minutes ago I was given the floor. If I am to be constantly interrupted in this way I shall have to ask your intervention. At least if I am to be interrupted I must ask your honour to allow me a reasonable time for interruptions. Am I to be given an opportunity to present my case before the house without interruption?

Mr. SPEAKER: I have not heard any interruption that seriously prevents the hon. member from continuing his address. I have called for order several times when interjections have been offered, and I hope no more will be made.

Mr. WOODSWORTH: I thank you. The question is: What can be done? I should like to enumerate briefly some things that can be done. First, the Canadian people can be decently fed, clothed and housed, and no government has any claim upon the loyalty of the people that does not provide at least that for them. Second, I would say that socially necessary work may be provided. The Prime Minister should come back to his original idea and provide for people work at which they can earn wages and thus be enabled to live. Third, the hours can be reduced without reducing wages. That may cause laughter in some quarters. Unless wages are maintained at the old scale, it would be useless from an economic standpoint to reduce the hours; it would simply mean a few more people would be put to work and the economic situation would not be helped. But I submit that if 750,000 people, or practically a quarter of the people engaged in gainful occupations in this country, are out of work, the work should be spread around. I know some will say that industry cannot stand this and I am quite willing to admit that industry as now constituted cannot stand it. Then I would say that industry must be put upon another basis. I am quite convinced that industry today cannot at the same time provide dividends and also decent living wages, and under those conditions we must consider the possibility of the reorganization of industry.

The next question may readily come: How finance any such arrangement as I have suggested? I admit that that is a difficult thing for any government, because I believe again we have arrived at the position where we cannot at the same time pay the interest on our debts and give services. That is the dilemma

which faces almost every government today. We cannot at the same time pay interest on our indebtedness and give the services needed by the people. This government seems determined that whatever else happens we must pay interest on our bonded indebtedness. I would point out that in England they are adopting a process of conversion under which they are securing money in some cases for less than three per cent. The interest on our national debt is somewhere about $125,000,000 and the interest on the Canadian National debt is $57,000,000, or a total of about $182,000,000. If this were cut in two, it would give us some $90,000,000, and why should it not be cut in two? If the wages of the people are having to be cut; if large numbers are going without work at all; if very large numbers even of our business men have their incomes more than cut in two, I cannot see why those who have accumulated large fortunes ought not to have their incomes cut down by reducing the interest which they receive on their bonds. My colleague spoke of the conscription of men at the time of a national crisis. I cannot see why at the time of this national crisis we should not conscript wealth.

I am not very keen, I may confess, on the amendment as offered by my colleague. I think it has certain advantages in that it would call public attention to this problem not merely during the time of one sitting of parliament but during the whole of the sittings of the commission, and for that reason I was willing to second it. But, after all, what we want at the present time is not so much further investigation, further consideration, as action. We have had consideration for years and years. The Prime Minister told us at the time of the taking of the last census he would have to wait until the results of the census were published before he could bring down an employment scheme. The results of the census are now made public and there is no reason why we cannot act upon those at this session of parliament. I recognize there is a good deal of truth in what my colleague said, that we should have a full investigation of the whole situation, but no investigation can be final in a condition such as that in which we find ourselves today. The world has never before faced such a crisis as is upon us; and I believe all the economists, technicians and financial experts might be brought before that commission and yet at the end of the investigation we would not be very much further ahead than we were at the start. That is my only objection to the setting up of a commission, but anything that will bring the matter before the public I favour. I would have thought the government would be well advised to adopt this resolution; it would have been advisable politically to do so, because this would have given them a chance to place a certain responsibility upon the commission. But they have turned it down; they have even tried to prevent us from discussing the matter at this time. Under these circumstances the only thing for us to do is to hold the government responsible for immediate action.

53719—90½

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

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## Tuesday, November 22, 1932

The house met at three o'clock.

### WAYS AND MEANS—UNEMPLOYMENT

RULING OF MR. SPEAKER ON AMENDMENT OF MR. HEAPS

Mr. SPEAKER: Last evening shortly before adjournment a question of order was raised on which I reserved my decision, and said I would give it today at three o'clock.

The motion is that the Speaker leave the chair for the house to resolve itself into committee of ways and means. To this an amendment is moved by Mr. Heaps as follows:

> In the opinion of this house it is desirable that a committee or commission be appointed to consider the economic situation in the dominion with special reference to unemployment and to report back during the present session of parliament.

A point of order has been raised that the amendment is out of order on the ground that it again introduces a matter that was debated and disposed of when the right hon. the leader of the opposition moved as part of an amendment to the address:

> The house regrets that, except the dole, the government has no policy with respect to the relief of unemployment.

I have carefully considered the arguments presented on the question of order, examined the authorities and precedents of both the British and Canadian houses of parliament. In the debate on the amendment of the right hon. leader of the opposition to the address I find that he suggested that a committee or commission be appointed and given charge of the whole question of unemployment relief, which shows that the subject matter of the proposed amendment was then open to dis-

cussion and actually debated. If this amendment is allowed it inevitably follows that there will be a repetition of the debate on unemployment.

The ordinary rules of debate are applicable on this occasion; for instance, a matter already decided by the house cannot be discussed. See Bourinot at page 420.

This amendment is offered on the motion to go into committee of ways and means, and not being accepted by the government is a motion of want of confidence, and the fact that it provides for the appointment of a commission or committee with special reference to unemployment is in effect a condemnation of the government's policy on that question.

The house has refused to condemn the government's policy on unemployment by rejecting the amendment moved to the address by the leader of the opposition. In view of that decision by the house I cannot find that this amendment, being a motion of want of confidence dealing also with unemployment, is in order.

Mr. LAPOINTE: With all due deference, lest we should be considered as accepting this ruling, I respectfully beg to appeal from it.

Mr. SPEAKER: The Speaker having decided that the amendment offered by Mr. Heaps to the motion: That the Speaker do now leave the chair for the house to go into committee of ways and means, is not in order, Mr. Lapointe appeals from that decision. Is it the pleasure of the house that the Speaker's decision be sustained?

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Baker,
Barber,
Baribeau,
Beaubier,
Belec,
Bell (St. John-Albert),
Bennett,
Beynon,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Casselman,
Chaplin,
Charters,
Cormier,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Dorion,
Dupré,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Gobeil,
Gordon,
Guthrie,
Hanson (York-Sunbury),
Hay,
Kennedy (Winnipeg South Centre),
Laurin,
LaVergne,
Loucks,
Macdonald (Kings),
MacLaren,
MacNicol,
McGillis,
McGregor,
Maloney,
Matthews,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Peck,
Perley (Qu'Appelle),
Perley, Sir George,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Sauvé,
Senn,
Shaver,
Simpson
(Algoma West),
Smith
(Victoria-Carleton),
Smith
(Cumberland),
Smoke,
Spence,
Sproule,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Sutherland,
Tétreault,
Thompson (Lanark),
Tummon,
Weese,
White (Mount Royal),
Willis,
Wright.—84.

NAYS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Blair,
Bothwell,
Boulanger,
Bourassa,
Brown,
Butcher,
Carmichael,
Casgrain,
Cayley,
Denis,
Deslauriers,
Desrochers,
Duff,
Elliott,
Euler,
Factor,
Fafard,
Ferland,
Fiset, Sir Eugène,
Fontaine,
Fournier,
Fraser (Northumberland, O.),
Golding,
Hanson (Skeena),
Howard,
Howden,
Hurtubise,
Irvine,
Kennedy
(Peace River),
King, Mackenzie,
Lapointe,
Lucas,
Luchkovich,
Macphail, Miss,
McIntosh,
McKenzie
(Assiniboia),
Marcil,
Moore (Ontario),
Munn,
Neill,
Parent,
Reid,
St-Père,
Sanderson,
Séguin,
Speakman,
Stewart
(Edmonton West),
Thauvette,
Totzke,
Veniot,
Verville,
Woodsworth,
Young.—56.

PAIRS

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

Messrs:

Arthurs,
Barrette,
Bell (Hamilton),
Bell (St. Antoine),
Black (Halifax),
Cahan,
Cantley,
Cowan (Port Arthur),
Duguay,
Gardiner,
Rhéaume,
Mercier (St. Henri),
Raymond,
Dubuc,
Rinfret,
Cardin,
Ilsley,
Dumaine,

| | |
|---|---|
| Duranleau, | Hanbury, |
| Ganong, | Dubois, |
| Garland (Carleton), | Goulet, |
| Geary, | Mercier (Laurier-Outremont), |
| Gott, | Rutherford, |
| Hackett, | Perras, |
| Harris, | Jacobs, |
| Johnstone, | Donnelly, |
| Jones, | MacLean, |
| Laflèche, | Girouard, |
| Larue, | Boucher, |
| Lawson, | Gray, |
| Lennox, | Pouliot, |
| MacDonald (Cape Breton), | Urquhart, |
| MacMillan (Saskatoon), | Mackenzie (Vancouver), |
| McDade, | Dupuis, |
| McGibbon, | Power, |
| McLure, | MacInnis, |
| Manion, | Heaps, |
| Myers, | Spencer, |
| Nicholson, | Bradette, |
| Pettit, | Bouchard, |
| Rhodes, | Ralston, |
| Ross, | Roberge, |
| Rowe, | Lacroix, |
| Ryckman, | Chevrier, |
| Ryerson, | Taylor, |
| Short, | Heenan, |
| Simpson (Simcoe), | Mitchell, |
| Spankie, | Garland (Bow River), |
| Spotton, | Hepburn, |
| Stanley, | Coote, |
| Stevens, | Malcolm, |
| Stinson, | Hall, |
| Stitt (Selkirk), | Weir (Macdonald), |
| Sullivan, | Brasset, |
| Thompson (Simcoe), | Jean, |
| Turnbull, | McPhee, |
| Weir (Melfort), | Motherwell, |
| White (London), | Gershaw, |
| Wilson, | Vallance. |

Mr. MERCIER (St. Henri): I was paired with the hon. member for Hamilton (Mr. Bell). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for Toronto South (Mr. Geary). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. MOTHERWELL: I was paired with the Minister of Agriculture (Mr. Weir). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted in favour of the Speaker's ruling being sustained.

Mr. MITCHELL: I was paired with the hon. member for North Simcoe (Mr. Simpson). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. COOTE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DUBOIS (Translation): I was paired with the hon. member for Charlotte (Mr. Ganong). Had I voted I would have voted against the speaker's ruling being sustained.

Mr. PERRAS (Translation): I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. RHEAUME (Translation): I was paired with the hon. member for Berthier-Maskinongé (Mr. Barrette). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted in favour of the Speaker's ruling being sustained.

Mr. RAYMOND (Translation): I was paired with the hon. member for St. Antoine (Mr. Bell). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. JEAN (Translation): I was paired with the hon. member for East Simcoe (Mr. Thompson). Had I voted I would have voted against the Speaker's ruling being sustained.

(Owing to the impossibility of recording pairs simultaneously declared, this list is incomplete.)

Mr. JEAN-FRANCOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, I rise to a question of privilege in connection with an absurd newspaper item published on the front page of l'Action Catholique of Thursday, November 17, 1932. The heading reads as follows: "J. F. Pouliot endorses the tariff changes—statement made by the hon. member for Témiscouata, yesterday, in the House of is Commons." What has actually happened is that this newspaper attributes to me a speech delivered by the hon. member for Labelle (Mr. Bourassa). You are, sir, better aware, than any one that I have never lost an opportunity to strenuously and energetically protest against these evil omen agreements.

## RELIEF TO PENSIONERS

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I have been requested to present a petition to parliament on behalf of the disabled war veterans of Ottawa. The petition sets out that the relief afforded these veterans has been cut down and in many cases cut off entirely. The petition reads—

Mr. SPEAKER: The practice is to hand the petition to the clerk. If it is to be read, the clerk will read it.

Mr. HEENAN: I should like to have this petition, which I have been asked to present to parliament, read by the clerk of the house.

Mr. SPEAKER: The petition will be referred to the clerk of petitions. It will be reported on and dealt with in due course.

## UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay on the table of the house a number of orders in council passed pursuant to the relief measures.

## QUESTIONS

(Questions answered orally are indicated by an asterisk).

### UNCLAIMED BALANCES IN BANKS

Mr. SPENCER:

1. What was the amount in the aggregate of unclaimed balances in the chartered banks of the Dominion of Canada as at the 30th of June, 1932?

2. What was the disposition of these funds?

Mr. RHODES:

1. Unclaimed amounts reported under section 114 of the Bank Act, and section 59 of the Quebec Savings Bank Act, as at December 31, 1931, totalled $3,200,954.83. (The figures as at 30th June, 1932, are not of government record as under the acts the returns are required to be made only at the end of the calendar year).

2. Unclaimed amounts are liabilities of the banks and await claimants.

### SUPREME COURT OF NOVA SCOTIA

Mr. DUFF:

1. At what date did the vacancy which now exists in the bench of the Supreme Court of Nova Scotia occur?

2. In view of the sittings of the appeal court beginning this week and of the large docket of appeals to be heard, will an appointment to fill the vacancy be made at an early date?

[Mr. Pouliot.]

Mr. GUTHRIE:

1. May 17, 1932.

2. Yes.

## MOTIONS FOR PAPERS

### MOUNT-MURRAY, QUE., POST OFFICE

Mr. CASGRAIN:

For a copy of all letters, requests, correspondence, petitions, and other documents, exchanged between the Post Office Department at Ottawa and the Post Office Department at Quebec, with respect to the dismissal of the postmaster at Mount-Murray in the county of Charlevoix. Also a copy of all sworn or other statements dealing with the resignation of said postmaster, in the possession of the Post Office Department.

### ADDINGTON FORKS, N.S., POST OFFICE

Mr. DUFF:

For a copy of all correspondence including letters, telegrams and other documents, exchanged between the Postmaster General and any of his officials and any person or persons in the province of Nova Scotia, regarding the removal of the post office from Addington Forks, Antigonish county, Nova Scotia, where it was for over 100 years, to the other end of the district, near Beaver Meadows.

Mr. SPEAKER: The words in the motion "where it was for over 100 years" are not in order.

Mr. DUFF: I would move to delete those words.

Mr. SPEAKER: Motion as amended agreed to.

## EMPLOYEES OF SENATE AND HOUSE

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): I wish to ask when I may expect an answer to question No. 2 on the order paper. It has been on the order paper for some days and no attempt has been made to answer it.

Mr. SPEAKER: With regard to the question referred to by the hon. member, No. 2 on today's order paper, such information as relates to the House of Commons has been ready for some time. As yet, the information has not been received from the Senate.

## REMEMBRANCE DAY

On the orders of the day:

Hon. D. M. SUTHERLAND (Minister of National Defence): Yesterday the hon. member for South Perth (Mr. Sanderson) asked a question with regard to the participation of the permanent force troops in the Armistice day ceremonies. Orders were given that the

permanent force troops should turn out that day in full dress, field service order. This order of dress includes rifles and sidearms, but does not include the carrying of ammunition, and ammunition was not carried. This is the usual dress on a formal occasion of this kind, and one which the department deemed most fitting for the occasion.

## ANGUS SHOPS, MONTREAL

ADVANCES BY GOVERNMENT TO CANADIAN PACIFIC RAILWAY COMPANY

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I should like to address a question to the Minister of Finance based upon an article in this morning's Citizen, dated from Montreal:

Number of days per month which Canadian Pacific shops will work—

Mr. SPEAKER: Could not the hon. member address his question to the minister without reading the article?

Mr. EULER: I will dispense with the reading of the article and will put the question to the government briefly.

An hon. MEMBER: I can't hear you.

Mr. EULER: I am quite willing to take my time. I would ask the government whether, in addition to the $2,000,000 which it was stated had been loaned or advanced by the government to the Canadian Pacific Railway, any further amount has been advanced; and further, and perhaps more particularly, whether any advances or loans have been made to any other industry or industries.

Hon. E. N. RHODES (Minister of Finance): I have not seen the article in question—

Mr. EULER: I was not permitted to read it.

Mr. RHODES: —but the question as submitted by my hon. friend goes further than a mere reply with respect to the opening of Canadian Pacific Railway shops, and it is of such an important character that I should not care to answer it offhand. I had no notice that it was going to be asked, although I am not complaining of that. However, I will take it as a notice of question and answer it tomorrow.

Mr. EULER: Could the minister give me a reply to my second question, as to whether any advances have been made to other industries.

Mr. RHODES: That is the portion of the question which I would not wish to answer offhand; I would wish to verify it before answering.

Mr. J. A. MERCIER (Laurier-Outremont): The Canadian Press has a dispatch this morning with reference to the Angus shops. Mr. Frank McKenna, general manager of Federal Shops Trades, says that the length of time during which the Angus shops will remain open must depend upon the nature of the arrangements between the Ottawa government and the company. Will the Minister of Finance, when replying tomorrow to my hon. friend, also give an answer to that statement which appears in the press.

Mr. RHODES: I will take the notice of question as I read it in Hansard tomorrow, but as I understand the first portion of the question, it is not one that can be answered here; it would have to be answered by the railway company.

Mr. MERCIER (Laurier-Outremont): The dispatch states that it depends on the nature of the arrangements between the Ottawa government and the company.

Some hon. MEMBERS: Order.

## SHIPMENT OF CANADIAN FRUIT

On the orders of the day:

Mr. W. A. FRASER (Northumberland): May I ask the Minister of Trade and Commerce whether about one-third of a cargo of canned fruit loaded at St. Catharines on a Norwegian tramp was shipped from Medina, New York, and labelled with Canadian Canners labels, to be conveyed by that steamer to the British market.

Hon. H. H. STEVENS (Minister of Trade and Commerce): That is not a question but a statement, and one which cannot be dealt with now under the circumstances. If the hon. member will address a question to me for information I will endeavour to get it.

## BRIGHT FAN INQUIRY

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Prime Minister. May I ask the right hon. gentleman when he is going to give permission to the hon. member for Nelson to make good his statement that the British freighter the Bright Fan was deliberately sunk in Hudson Strait.

Mr. SPEAKER: The hon. member knows that the question is out of order. He should not so continually infringe upon the rules of debate.

Mr. McINTOSH: Where have I infringed on the rules of debate?

Mr. SPEAKER: The question is improper and is out of order.

Mr. McINTOSH: I cannot see that it is an improper question.

## ROYAL CANADIAN MOUNTED POLICE

On the orders of the day:

Hon. CHARLES STEWART (West Edmonton): May I ask the Minister of Justice whether a decision has been reached in connection with the request of civil servants who had prior service with the Royal Canadian Mounted Police to have the duration of that service added to their time in the civil service in relation to superannuation.

Hon. HUGH GUTHRIE (Minister of Justice): Requests have been received in connection with this matter from various parts of western Canada. The matter is still under consideration, no decision having yet been reached.

## TRADE AGREEMENT BETWEEN CANADA AND SOUTHERN RHODESIA

Right Hon. R. B. BENNETT (Prime Minister) moved the third reading of Bill No. 5, respecting a certain trade agreement between the Dominion of Canada and Southern Rhodesia.

He said: Mr. Speaker, we will take a division on this motion.

The house divided on the motion (Mr. Bennett) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arseneault,
Baker,
Barber,
Baribeau,
Barrette,
Beaubien,
Belec,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bertrand,
Beynon,
Blair,
Bothwell,
Bourgeois,
Bowen,
Boyes,
Brown,
Burns,
Bury,
Carmichael,
Casselman,
Chaplin,
Charters,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Dorion,
Dupré,
Edwards,
Elliott,
Embury,
Ernst,
Esling,
Factor,
Fortin,
Fraser (Cariboo),
Fraser (Northumberland, O.),
Gagnon,
Gobeil,
Golding,
Gordon,
Guthrie,
Hanson (York-Sunbury),
Howard,
Howden,
Hurtubise,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
King, Mackenzie,
Lapointe,
LaVergne,
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
MacNicol,
McGillis,
McGregor,
McIntosh,
McKenzie (Assiniboia),
Maloney,
Marcil,
Moore (Chateauguay-Huntingdon),
Mullins,
Murphy,
Neill,
Peck,
Perley, Sir George,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Sanderson,
Sauvé,
Séguin,
Senn,
Shaver,
Smith (Victoria-Carleton),
Smith (Cumberland),
Speakman,
Spence,
Sproule,
Stewart (Edmonton West),
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Sutherland,
Tétreault,
Thompson (Lanark),
Totzke,
Tummon,
Veniot,
Weese,
White (Mount Royal),
Willis,
Wright,
Young.—105.

NAYS

Messrs:

Boulanger,
Bourassa,
Butcher,
Denis,
Deslauriers,
Desrochers,
Duff,
Ferland,
Fournier,
Irvine,
Macphail, Miss,
Raymond,
Reid,
St-Père,
Verville,
Woodsworth.—16.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). Had I voted I would have voted for the third reading of the bill.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted I would have voted for the motion.

Mr. MYERS: I was paired with the hon. member for Battle River (Mr. Spencer). Had I voted I would have voted for the third reading of the bill.

Mr. McLURE: I was paired with the hon. member for Vancouver South (Mr. MacInnis). Had I voted I would have voted for the third reading of the bill.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted I would have voted for the motion.

Mr. JONES: I was paired with the hon. member for Prince (Mr. MacLean). Had I voted I would have voted for the motion.

Mr. CANTLEY: I was paired with the hon. member for Richelieu (Mr. Cardin). Had I voted I would have voted for the motion.

Mr. BLACK (Halifax): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted I would have voted for the motion.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted for the motion.

Mr. GOTT: I was paired with the hon. member for Kent, Ontario (Mr. Rutherford). Had I voted I would have voted for the motion.

Mr. RYCKMAN: I was paired with the senior member for Ottawa (Mr. Chevrier). Had I voted I would have voted for the motion.

Mr. WILSON: I was paired with the hon. member for South Battleford (Mr. Vallance). Had I voted I would have voted for the motion.

Mr. ROSS: I was paired with the hon. member for Megantic (Mr. Roberge). Had I voted I would have voted for the motion.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted I would have voted for the motion.

Mr. HEAPS: I was paired with the Minister of Railways and Canals (Mr. Manion). Had I voted I would have voted against the motion.

Mr. MITCHELL: I was paired with the hon. member for North Simcoe (Mr. Simpson). Had I voted I would have voted against the motion.

Mr. HACKETT: I was paired with the hon. member for Wright (Mr. Perras). Had I voted I would have voted for the motion.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted I would have voted against the motion.

Mr. MOTHERWELL: I was paired with the Minister of Agriculture (Mr. Weir). Had I voted I would have voted for the motion.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted I would have voted for the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted for the motion.

Mr. SPANKIE: I was paired with the hon. member for Bow River (Mr. Garland). Had I voted I would have voted for the motion.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted I would have voted for the motion.

Mr. LAFLECHE: I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted for the motion.

Mr. LAWSON: I was paired with the hon. member for West Lambton (Mr. Gray). Had I voted I would have voted for the motion.

Mr. TURNBULL: I was paired with the hon. member for Yorkville (Mr. McPhee). Had I voted I would have voted for the motion.

Mr. STITT (Selkirk): I was paired with the hon. member for Macdonald (Mr. Weir). Had I voted I would have voted for the motion.

Mr. RHODES: I was paired with the hon. member for Shelburne-Yarmouth (Mr. Ralston). Had I voted I would have voted for the motion.

Mr. STINSON: I was paired with the hon. member for South Bruce (Mr. Hall). Had I voted I would have voted for the motion.

Mr. MORAND: I was paired with the hon. member for Terrebonne (Mr. Parent). Had I voted I would have voted for the motion.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted I would have voted for the motion.

Mr. SMOKE: I was paired with the hon. member for South Oxford (Mr. Cayley). He

was here fifteen minutes ago and voted in the previous division. Had I voted I would have voted for the motion.

Mr. BOWMAN: I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted I would have voted for the motion.

Mr. LAURIN: I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Fontaine). Had I voted I would have voted for the motion.

Mr. BEAUBIEN: I was paired with the junior member for Ottawa (Mr. Ahearn). Had I voted I would have voted for the motion.

Mr. COOTE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted I would have voted against the motion.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted I would have voted for the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted against the motion.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted for the motion.

Motion (Mr. Bennett) agreed to, and bill read the third time and passed.

## TRADE AGREEMENT BETWEEN CANADA AND THE IRISH FREE STATE

Right Hon. R. B. BENNETT (Prime Minister) moved the third reading of Bill No. 4, respecting a certain trade agreement between the Dominion of Canada and the Irish Free State.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the house will recall that when this bill was before us in its previous stages, the government conceded that it did not involve any increase in duties; that as a matter of fact it secured to Canadian merchandise in the Irish market as favourable treatment as would be accorded to that of any other country and vice versa. We have been contending all along that any agreement that was made should not in any particular deprive our country of extending, if we so desired, favourable treatment to any other country that wished to trade with us, and as the legislation in this respect is along the lines that we have been advocating I imagine that most on this side will be prepared to support it.

It has another feature which entirely distinguishes it from the agreement arrived at with South Africa or the proposed agreement with the United Kingdom, namely, that it does not involve any increase of duty nor has it that most objectionable of all features, the fixing of a margin of preference for a period of years, thereby depriving this country of the opportunity of according to any other countries that may wish to trade with us as favourable treatment as we are according in this case. There is a great distinction, Mr. Speaker, between certain of these agreements and the agreement which is proposed with South Africa and the agreement which is proposed with the United Kingdom. These differences were pointed out at the time the agreement with Rhodesia and the agreement with Ireland were before the house, and as hon. members will recall, there was for that reason no opposition to either the agreement with Rhodesia or the agreement with Ireland at the time these measures were discussed on the first and second readings and in committee.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, I cannot allow the observations of the right hon. leader of the opposition to pass without drawing to the attention of the house one or two very important facts and, I make bold to say, errors in the statement which he has just made. He states that this agreement is very much different from all the others.

Mr. McINTOSH: So it is.

Mr. STEVENS: That is the last word, I presume, Mr. Speaker, coming from the hon. gentleman.

The house will recall that week after week and day after day for the last six or seven weeks the right hon. leader of the opposition has been reiterating to the point of becoming tedious his objection to the five-year provision. Now he acquiesces in this. This is quite all right, he says, and we are all going to vote for it. He virtually invites no division, and instructs his followers to line up behind this bill, after he has kept the house for about six weeks arguing on the question. He says that this is a marked advance upon the British agreement.

Now this bill gives to Ireland, so far as entry into this market is concerned, precisely what we give to Great Britain. To give to Great Britain certain concessions in this, that and the other sort of article is a vicious principle in the way we have done it; but to give it to Ireland, the right hon. gentleman says, is perfectly all right and all my followers should vote for it. What does article 2 of this trade agreement say? It says:

> Goods, the produce or manufacture of the Irish Free State, imported into Canada, shall not be subject to other or higher duties than those paid on similar goods, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

This whole bill is based upon, allied to, intertwined and amalgamated with, or any other similar term you like to use, the British agreement. Every jot and tittle, every crossed t and every dotted i, of the British agreement is in this, and yet the right hon. gentleman tells us that it is an act of virtue on his part to vote for this agreement, but that the government and all its supporters are doing this country irreparable injury by voting for the British bill. Surely the right hon. gentleman now realizes the spectacle that he has been making before this house and the country for the last six weeks in his protestations and flimsy pretext regarding the five-year period and other provisions of the British bill. This is the British bill simplified into one little clause. All we have done for the British we are doing for the Irish, and all we have done against the British we are doing against the Irish. Any concessions we have given to the British we give to the Irish. The Irish asked for them and got them.

It is not necessary to add anything further. Those are the facts, and we now have the measure of the sincerity of the right hon. gentleman.

Mr. MACKENZIE KING: Mr. Speaker, I have not the right to debate this matter, but if the house will give me permission I should like to state my position.

Mr. BENNETT: I cannot speak again having moved the third reading.

Mr. MACKENZIE KING: Then I shall ask my colleague the ex-Minister of Justice (Mr. Lapointe) to explain why the Minister of Trade and Commerce by what he has just said convinced me that I should vote not for but against this bill. He now puts an entirely different construction on this bill than was put upon the provisions when it was previously considered.

[Mr. Stevens.]

Hon. ERNEST LAPOINTE (Quebec East): I am pleased to say, Mr. Speaker, that I am going to vote against the third reading of this bill. It is not at all the same as the Rhodesia bill to which we have just given third reading. In this bill we are granting to the Irish Free State the same terms that are being granted to the United Kingdom of Great Britain and Northern Ireland. We on this side have been complaining that the tariff has been raised against other countries in order to give a preference on articles coming from Great Britain. The same thing applies to the Irish Free State under section 3 of this bill. There is nothing similar in the treaty with Rhodesia, which was merely a trade agreement in the nature of other trade agreements, and which we accepted as a matter of course.

Some hon. MEMBERS: Oh, oh.

Mr. LAPOINTE: I am sorry if that is beyond the understanding of some hon. gentlemen opposite, but I cannot help that. I am simply giving my own views, and only by looking at the two bills will hon. gentlemen opposite appreciate what the vital distinction is between the two. I am voting against the third reading of this bill.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Before this vote is taken, Mr. Speaker, I would like to say that I intended, even before the ex-Minister of Justice (Mr. Lapointe) spoke, to vote against this bill. My reason for doing so is this: When I read that an Imperial economic conference would be held in Ottawa I presumed from the word "imperial" itself, that it would be a meeting between loyal brethren of the British Empire, but to my surprise I found that the delegates from the Irish Free State who came over to this conference refused to take the oath of allegiance to the King when the government of the Irish Free State was elected. They also refused to pay to the British government a large sum of money due on land annuities which the British government had advanced to the people of Ireland, thereby putting themselves outside the pale of any imperial conference. I therefore say that in my opinion none of the gentlemen representing the Irish Free State had any right to sit either in this chamber or around the economic conference table, nor did Canada have the right to make an agreement with them at an imperial conference. So I am going to vote against the bill.

Mr. C. G. POWER (Quebec South): It seems somewhat peculiar that I should reach the same conclusion as my deskmate the hon. member for Antigonish-Guysborough (Mr. Duff), but it is for altogether different reasons. It appears to me that it is very much of a farce—

An hon. MEMBER: It certainly is!

Mr. POWER: —for the parliament of Canada to approve a favoured-nation treaty with the Irish Free State when both this parliament and the foremost proponents of the treaty base their hopes of success of the United Kingdom-Canada treaty largely on the fact that through that treaty they will be able to take away trade from Ireland, which is now being given favoured-nation treatment. To my mind such an arrangement, whereby one of the sister nations of the commonwealth is hoping to profit in its trade with the United Kingdom in products of the farm, cattle and so on at the expense of the Irish Free State, and at the same time asking the people of Canada to favour the Irish Free State, is a farce, and I cannot vote for it.

Mr. ARMAND LAVERGNE (Montmagny): I have been a member of the Sinn Fein league for twenty years; Ireland cannot renounce allegiance to the King, be in the empire and out of it at the same time, but she is free to renounce her allegiance if she chooses. I agree with the argument put forward by the hon. member for Antigonish-Guysborough (Mr. Duff) and I will vote against the agreement.

Mr. HENRI BOURASSA (Labelle): I had not thought of speaking on this measure; but in view of the extraordinary spectacle that we have witnessed, and the still more extraordinary spectacle that we shall witness in a moment, I wish once more to declare myself emphatically and unreservedly opposed to these treaties, without regard to what they contain, because of the principle underlying them; because of the straightforward declaration made by the Prime Minister that all these treaties are based on the principle of imperial unity, to which I am opposed.

Some hon. MEMBERS: Oh, oh.

Mr. BOURASSA: Yes, I am, I have always been opposed to the principle of imperial unity, for reasons frequently given, in forty years of public life, and of which I am not ashamed; reasons which have received the warmest approval of some of the foremost statesmen and leaders of public thought in Great Britain. Opposed to imperial unity, I stand with equal frankness for friendly cooperation between Great Britain and her sister nations. In other words, I oppose imperial unity, so called, because it does not tend to keep the relations between these various communities on the only footing which can preserve them.

With regard to Ireland, Mr. Speaker, my sentiments are well known. I have always been a friend of Ireland, and I have proven it before the war, during the war, and after the war. In days when not one single Irish-Canadian, at least not one that I know in this chamber, would dare to stand by the leaders and principles of Sinn Fein, I did it in public. To trade relations with Ireland I have no objection. To better trade relations with England I have no objection. To better trade relations with South Africa, or any other of the British dominions, I have no objection. But I have objection to all these agreements, because, I repeat, they are based on a principle of policy against which I have fought all my life, and which the greatest leader that the Conservative party has known, Sir John A. Macdonald, opposed all his life.

Some hon. MEMBERS: No, no.

Mr. BOURASSA: Yes, he did, in word and in deed. When the so-called loyalist people of this country accused him of endangering the British connection because he claimed for the people of Canada the right to the full and unhampered exercise of their economic autonomy, Sir John replied coolly: "so much the worse for British connection." Not that he wanted to break the tie; but he wanted to assert on the part of Canada the same right to exercise her full rights as a nation, as a government and as a parliament in matters of trade and in matters of taxation as she had won in matters of political management. For that reason, Mr. Speaker, I am opposed to this particular treaty; but not for the reason given by my hon. friend from Antigonish-Guysborough (Mr. Duff). I heard my good friend say that we should not vote for this treaty because of the refusal of Irish members to take the oath of allegiance. That has nothing to do with the matter of this treaty. I will go further. The refusal of the Irish who do not believe in the right of England to rule their country to take the oath of allegiance is a proof of their moral honesty. But I am opposed to this treaty, I am opposed to the preceding treaty, I am opposed to the following treaty, and I will vote against all of them, as I said a few weeks ago, with any group or any party, with any member or

members of this house, not through any friendship for or antagonism to any country, but in the interests of Canada; because I believe that in the interest of our relations with Great Britain and the other nations we should come back to the sound policy of absolute freedom in matters of trade, and negotiate such treaties as we may choose with any of these countries, whether Great Britain or Ireland or Australia, on the economic merits of the treaties and the trade that can be developed, entirely apart from the principle which governs these agreements, that is, that we must have a series of treaties because we belong to the same empire. No, no; as far as that is concerned I remain faithful to the policy which was propounded, upheld and applied by Sir John A. Macdonald and Sir Charles Tupper for twenty years.

An hon. MEMBER: Do you agree with yourself?

Mr. BOURASSA: Read your history and you will learn about it.

The house divided on the motion (Mr. Bennett) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bourgeois,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Cormier,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Dorion,
Dupré,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Gobeil,
Gordon,
Guthrie,
Hanson (Skeena),
Hanson (York-Sunbury),
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNicol,
McGillis,
McGregor,
Maloney,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Peck,
Perley, Sir George,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Sauvé,
Senn,
Shaver,
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Sproule,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Sutherland,
Tétreault,
Thompson (Lanark),
Tummon,
Weese,
White (Mount Royal),
Willis,
Wright.—89.

NAYS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Blair,
Bothwell,
Boulanger,
Bourassa,
Brown,
Butcher,
Casgrain,
Cayley,
Denis,
Deslauriers,
Desrochers,
Duff,
Elliott,
Factor,
Fafard,
Ferland,
Fiset, Sir Eugène,
Fournier,
Fraser (Northumberland, O.),
Golding,
Howard,
Howden,
Hurtubise,
King, Mackenzie,
Lapointe,
LaVergne,
Macphail, Miss,
McIntosh,
McKenzie (Assiniboia),
Marcil,
Neill,
Parent,
Raymond,
Reid,
Rhéaume,
St-Père,
Sanderson,
Séguin,
Stewart (Edmonton West),
Thauvette,
Totzke,
Veniot,
Verville,
Woodsworth,
Young.—48.

PAIRS

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

Messrs:

Arthurs,
Bell (Hamilton),
Beynon,
Black (Halifax),
Cahan,
Cantley,
Cowan (Port Arthur),
Duguay,
Duranleau,
Ganong,
Garland (Carleton),
Geary,
Gott,
Hackett,
Harris,
Hay,
Johnstone,
Jones,
Laflèche,
Larue,
Laurin,
Lawson,
Lennox,
MacDonald (Cape Breton),
McMillan (Saskatoon),
McDade,
McGibbon,
Gardiner,
Mercier (St. Henri),
Euler,
Dubuc,
Rinfret,
Cardin,
Ilsley,
Dumaine,
Hanbury,
Dubois,
Goulet,
Mercier (Laurier-Outremont),
Rutherford,
Perras,
Jacobs,
Irvine,
Donnelly,
MacLean,
Girouard,
Boucher,
Fontaine,
Gray,
Pouliot,
Urquhart,
Mackenzie (Vancouver),
Dupuis,
Power,

| | |
|---|---|
| McLure, | MacInnis, |
| Manion, | Heaps, |
| Matthews, | Moore (Ontario), |
| Myers, | Spencer, |
| Nicholson, | Bradette, |
| Perley (Qu'Appele), | Munn, |
| Pettit, | Bouchard, |
| Rhodes, | Ralston, |
| Ross, | Roberge, |
| Rowe, | Lacroix, |
| Ryckman, | Chevrier, |
| Ryerson, | Taylor, |
| Short, | Heenan, |
| Simpson (Simcoe), | Mitchell, |
| Spankie, | Garland (Bow River), |
| Spotton, | Hepburn, |
| Stanley, | Coote, |
| Stevens, | Malcolm, |
| Stinson, | Hall, |
| Stitt (Selkirk), | Weir (Macdonald), |
| Sullivan, | Brasset, |
| Thompson (Simcoe), | Jean, |
| Turnbull, | McPhee, |
| Weir (Melfort), | Motherwell, |
| White (London), | Gershaw, |
| Wilson, | Vallance. |

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted I would have voted against the motion.

Mr. MOTHERWELL: I was paired with the Minister of Agriculture (Mr. Weir). Had I voted I would have voted against the motion.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted I would have voted for the motion.

Mr. IRVINE: I was paired with the hon. member for Springfield (Mr. Hay). Had I voted I would have voted against the motion.

Mr. MACKENZIE (Vancouver Centre): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted I would have voted against the motion.

Mr. GOULET: I was paired with the hon. member for Carleton (Mr. Garland). Had I voted I would have voted against the motion.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted for the motion.

Mr. COOTE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted I would have voted against the motion.

Mr. MYERS: I was paired with the hon. member for Battle River (Mr. Spencer). Had I voted I would have voted for the motion.

Mr. McLURE: I was paired with the hon. member for Vancouver South (Mr. MacInnis). Had I voted I would have voted for the motion.

[Mr. Bourassa.]

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted I would have voted for the motion.

Mr. STITT (Selkirk): I was paired with the hon. member for Macdonald (Mr. Weir). Had I voted I would have voted for the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the motion.

Mr. RYCKMAN: I was paired with the hon. member for Ottawa (Mr. Chevrier). Had I voted I would have voted for the motion.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted I would have voted for the motion.

Mr. SPANKIE: I was paired with the hon. member for Bow River (Mr. Garland). Had I voted I would have voted for the motion.

Mr. GOTT: I was paired with the hon. member for Kent, Ont. (Mr. Rutherford). Had I voted I would have voted for the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted for the motion.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted I would have voted for the motion.

Mr. HACKETT: I was paired with the hon. member for Wright (Mr. Perras). Had I voted I would have voted for the motion.

Mr. JEAN (Translation): I was paired with the hon. member for East Simcoe (Mr. Thompson). Had I voted I would have voted against the motion.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted for the motion.

Mr. LAURIN (Translation): I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Fontaine). Had I voted I would have voted for the motion.

Motion (Mr. Bennett) agreed to, and bill read the third time and passed.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNION OF SOUTH AFRICA

Right Hon. R. B. BENNETT (Prime Minister) moved the third reading of Bill No. 3, respecting a certain trade agreement between the Dominion of Canada and the Union of South Africa.

The house divided on the motion, which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bourgeois,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Campbell,
Carmichael,
Casselman,
Chaplin,
Charters,
Cormier,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Dorion,
Dupré,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Gobeil,
Gordon,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
LaVergne,
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNicol,
McGillis,
McGregor,
Maloney,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Peck,
Perley (Qu'Appelle),
Perley, Sir George,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Sauvé,
Senn,
Shaver,
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Sproule,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Sutherland,
Swanston,
Tétreault,
Thompson (Lanark),
Tummon,
Weese,
White (Mount Royal),
Willis,
Wright.—92.

NAYS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Blair,
Bothwell,
Boulanger,
Bourassa,
Brown,
Butcher,
Casgrain,
Cayley,
Denis,
Deslauriers,
Desrochers,
Duff,
Elliott,
Factor,
Fafard,
Ferland,
Fiset, Sir Eugène,
Fournier,
Golding,
Hanson (Skeena),
Howard,
Howden,
Hurtubise,
King, Mackenzie,
Lapointe,
Macphail, Miss,
McIntosh,
McKenzie (Assiniboia),
Marcil,
Neill,
Parent,
Perras,
Raymond,
Reid,
Rhéaume,
St-Père,
Sanderson,
Séguin,
Stewart (Edmonton West),
Thauvette,
Totzke,
Veniot,
Verville,
Woodsworth,
Young.—48.

PAIRS

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

Messrs:

Arthurs,
Bell (Hamilton),
Beynon,
Black (Halifax),
Cahan,
Cantley,
Cowan (Port Arthur),
Duguay,
Duranleau,
Ganong,
Garland (Carleton),
Geary,
Gott,
Harris,
Hay,
Johnstone,
Jones,
Laflèche,
Larue,
Laurin,
Lawson,
Lennox,
MacDonald (Cape Breton),
MacMillan (Saskatoon),
McDade,
McGibbon,
McLure,
Manion,
Matthews,
Myers,
Nicholson,
Pettit,
Rhodes,
Ross,
Rowe,
Ryckman,
Ryerson,
Short,
Simpson (Simcoe),
Spankie,
Spotton,
Stanley,
Stevens,
Stinson,
Stitt (Selkirk),
Sullivan,
Thompson (Simcoe),
Turnbull,
Weir (Melfort),
White (London),
Wilson,
Gardiner,
Mercier (St. Henri),
Euler,
Dubuc,
Rinfret,
Cardin,
Ilsley,
Dumaine,
Hanbury,
Dubois,
Goulet,
Mercier (Laurier-Outremont),
Rutherford,
Jacobs,
Irvine,
Donnelly,
MacLean,
Girouard,
Boucher,
Fontaine,
Gray,
Pouliot,
Urquhart,
Mackenzie (Vancouver),
Dupuis,
Power,
MacInnis,
Heaps,
Moore (Ontario),
Spencer,
Bradette,
Bouchard,
Ralston,
Roberge,
Lacroix,
Chevrier,
Taylor,
Heenan,
Mitchell,
Garland (Bow River),
Hepburn,
Coote,
Malcolm,
Hall,
Weir (Macdonald),
Brasset,
Jean,
McPhee,
Motherwell,
Gershaw,
Vallance.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I would have voted for the motion.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted, I would have voted for the motion.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted, I would have voted for the motion.

Mr. STITT (Selkirk): I was paired with the hon. member for Macdonald (Mr. Weir). Had I voted, I would have voted for the motion.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted, I would have voted against the motion.

Mr. McLURE: I was paired with the hon. member for South Vancouver (Mr. MacInnis). Had I voted, I would have voted for the motion.

Mr. MYERS: I was paired with the hon. member for Battle River (Mr. Spencer). Had I voted, I would have voted for the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted, I would have voted for the motion.

Mr. SPANKIE: I was paired with the hon. member for Bow River (Mr. Garland). Had I voted, I would have voted for the motion.

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

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted, I would have voted for the motion.

Mr. RYCKMAN: I was paired with the senior member for Ottawa (Mr. Chevrier). Had I voted, I would have voted for the motion.

Mr. BLACK (Halifax): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted for the motion.

Mr. MOTHERWELL: I was paired with the hon. Minister of Agriculture (Mr. Weir). Had I voted, I would have voted against the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the motion.

Mr. JEAN: I was paired with the hon. member for East Simcoe (Mr. Thompson). Had I voted, I would have voted against the motion.

Motion (Mr. Bennett), agreed to, and bill read the third time and passed.

[Mr. Spotton.]

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

Right Hon. R. B. BENNETT (Prime Minister) moved the third reading of Bill No. 8, respecting a certain trade agreement between His Majesty's government in Canada and His Majesty's government in the United Kingdom.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the house will recall that when the right hon. the Prime Minister (Mr. Bennett) introduced a resolution to approve the trade agreement between the United Kingdom and Canada I took very strong exception to the house proceeding in the manner in which the Prime Minister said it must proceed. I stated at that time that I believed the correct procedure was that the house, before being asked to give its approval to the Canada-United Kingdom agreement, should go into committee of ways and means to consider as a whole and in detail the changes in our tariff which would be necessary in order to give effect to the agreement, and the full significance of these changes. I protested as strongly as I could at the time against our being obliged to proceed with the approval of that particular agreement or any agreement until we had discussed in committee of ways and means the whole of the tariff changes which it involved. I did this on the resolution and I did it again on each of the several stages of the bill up to the present time. We have not had an opportunity of discussing in committee of ways and means the various proposed changes in the tariff, and I wish now to protest again against our being called upon to pass the third reading of a measure, which gives approval to the agreement between the United Kingdom and Canada before we have had opportunity to consider in committee of ways and means the tariff changes involved.

In doing this I wish to support my protest and appeal by bringing to the attention of the house the procedure adopted in the British parliament with respect to these agreements and show wherein the procedure adopted in this House of Commons has been entirely at variance with the British procedure. It has been not only at variance with the British procedure but, according to the statement of the Chancellor of the Exchequer, it has been a procedure which cannot be justified under the British method of proceeding in these matters. Need I say, in this connection, that had the house proceeded in the regular manner some of the misunderstandings which have

arisen with respect to these agreements would never have arisen. I now direct attention to what took place in the British parliament with respect to the introduction of these agreements and their consideration. The British parliament considered the agreements first of all on October 18. On that date the house was moved into committee of ways and means to consider the resolutions with respect to imperial preferences, and the discussion occupied October 18, 19 and 20. The resolutions were reported and discussed separately on October 21, 24 and 25. On October 25 a bill with respect to the approval of the agreement for the first time was introduced and given its first reading. It was discussed and given its second reading on October 26 and 27, discussed in committee October 28 and 31, November 1, 2 and 3, and given its third reading on November 3.

I wish to invite the attention of the house particularly to the words of the Chancellor of the Exchequer at the time of moving the house into committee of ways and means in order to consider the resolutions. The house will find the record in Parliamentary Debates of the House of Commons of Great Britain for October 18, 1932. I read from page 37: Orders of the day; ways and means, considered in committee:

> Motion made, and question proposed,
> "That it is expedient—
> (a) to make provision, more especially in connection with the agreements made at the Imperial economic conference held at Ottawa and an announcement made at that conference on behalf of His Majesty's government in the United Kingdom, for imperial preferences, whether as respects the whole or any part of the British Empire, and whether in respect of duties charged under any resolutions of this house having for their object the fulfilment of the agreements aforesaid or duties under the Import Duties Act, 1932, or any other duties—"

There are other provisions:

> "(b) to empower the Board of Trade, in the circumstances contemplated in the agreement made between His Majesty's government in the United Kingdom and His Majesty's government in Canada, by order to prohibit the importation of goods of a class or description grown, produced or manufactured in a foreign country;

Paragraph (c) refers to Australia and New Zealand.

> "(d) for the purpose of giving effect to certain of the provisions of the agreement made between His Majesty's government in the United Kingdom and His Majesty's government in Canada to amend the law with respect to the importation of Canadian cattle;
> "(e) to make such other provision as may appear necessary or expedient for the purpose of giving effect to any of the agreements aforesaid."

53719—91

The Chancellor of the Exchequer, Mr. Chamberlain, then spoke as follows:

> I hope that, after all the numerous questions and answers on the subject, there is now no doubt in the minds of the committee as to the procedure which is to be followed. We cannot introduce the bill which is to implement the agreements arrived at at Ottawa until we have obtained from the committee of ways and means the series of resolutions which are on the order paper today.

Nothing could be more specific than that. The Chancellor of the Exchequer said to the British House of Commons that under its procedure—let me quote his exact words:

> We cannot introduce the bill which is to implement the agreements arrived at at Ottawa until we have obtained from the committee of ways and means the series of resolutions which are on the order paper today.

Here, in this House of Commons of Canada, we have had laid on the table resolutions with respect to ways and means intended to provide what is necessary in the way of implementing the agreements, but we have not yet discussed these in detail; we have not had any opportunity to go into committee of ways and means; in fact this house has not even yet adopted a motion to resolve itself into committee of ways and means. Nevertheless we are being asked now to give approval to the third reading of the bill implementing the agreement. Mr. Chamberlain, the Chancellor of the Exchequer, has made it plain that under the procedure of the British parliament it is impossible for the House of Commons to consider the bill before the ways and means committee has taken up the discussion with respect to the tariff changes involved.

Mr. BENNETT: As I have no right to speak, I should like to ask a question. Does my right hon. friend realize that the French treaty was treated in exactly the same way as we have done in this house?

Mr. MACKENZIE KING: I am laying down at this time the British method of procedure—

Mr. BENNETT: We are in Canada.

Mr. MACKENZIE KING: —and no one knows better than the Prime Minister himself that under the British North America Act, our own constitution, hon. members of this parliament have no rights or powers greater than those which are accorded members of the House of Commons in Great Britain with respect to any matter. In taking the course which he has taken, he has gone diametrically opposite to British procedure, and from what I have learned this afternoon I begin to discover the design that was back of his motive

in so doing. If we had had a committee of ways and means to discuss in detail all the tariff changes that were necessary and had we seen as a result of that discussion, the significance of what was being proposed, some of us, particularly myself, would not have been as confused or misled as apparently we have been with respect to the exact meaning of some of the provisions of some of these bills.

Let me complete what Mr. Chamberlain said. He continued:

When I sit down I propose to move the first of those resolutions, and I daresay you, Sir Dennis—

That is Sir Dennis Herbert, who was the chairman of the committee:

—will then think it appropriate to give some ruling as to whether the debate should be allowed to range over the whole of the resolutions or whether each resolution should be taken separately.

A little later the chairman of the committee made a statement to the house as to procedure of the committee and as it was agreed upon by all parties in the British House of Commons. The chairman's remarks are reported at page 43 as follows:

The Chairman: I think, perhaps, before the discussion proceeds, that it may be useful if I can get the approval, or otherwise, of the committee to the course which I suggest with regard to the debate. I gather from what has taken place at question time that it will probably meet with the approval of the committee. It is that we should follow the same course as was adopted in the case of the resolutions dealing with the Import Duties Act in February last, that is, the course analagous to the budget debates. If the committee approve of that, it will mean that there will be a general discussion on the resolution which has been moved by the Chancellor of the Exchequer; that discussion will range over all the ways and means resolutions which are on the order paper. When the debate comes to an end, all the resolutions will be put one after the other without further debate, leaving the resolutions to be considered separately on the report stage. I hope that that will meet with the approval of the committee generally.

Elsewhere the chairman of the committee made special mention of the fact that hon. members would be free to move for the reduction of any duty that appeared in the resolutions which were placed before the house; that it would be entirely in order to move any amendment, and he took great care repeatedly to say that in so doing they had not before them the bill approving the agreement, but that they were free to discuss in the first instance the significance of all items and resolutions so that in the light of them and with full understanding of their significance they might take such action as they deemed best when asked to pass a bill approving the agreement.

That course has been entirely departed from in this house; it has been departed from knowingly on the part of the government and against the protests and appeals of hon. gentlemen on this side to have the matter correctly proceeded with. I submit that the whole proceeding has been irregular and that it is contrary to British parliamentary practice and also to our own constitution which governs the powers and procedure of this parliament.

Just to show how, as a result of our having proceeded in the manner in which the government has done, some of us have been led astray as to the significance of what was really in the mind of the government, may I draw attention to the sequence in which these measures have been placed before us and to a question which I asked the Prime Minister when we were discussing the trade agreement between Canada and Rhodesia? This is reported in Hansard at page 892, as follows:

Mr. Mackenzie King: May I ask the minister whether in his opinion the net result of the agreement is that as a result of the tariff changes tariffs will really be lowered as against Rhodesia?

Mr. Bennett: The answer is found in the fact that the goods come in free. I would think it would be difficult to say, but in my judgment the effect would be probably to lower the tariff.

Having consistently taken the view that whatever would help to lower tariffs as between different parts of the British Empire was desirable, I for one, when that measure was before the house, gave it support not only on the second reading, but again this afternoon on the third. When the Irish agreement was before us, may I point out that we had not then had before us the British agreement. We were presented with the bill with respect to the approval of the agreement between the Irish Free State and Canada immediately after the bill respecting Rhodesia and before the bills respecting South Africa and the United Kingdom, and in reading that bill I would challenge anyone to place upon it an interpretation other than the one which we placed upon it at the time and which I believe the text will bear out as the one reasonable interpretation to be placed upon it, namely, that whatever we might do for Britain we would do equally by way of favourable treatment to Ireland. In other words, while the present administration is in office, if it intends to deal with Britain along the lines of the present agreement, then it is com-

mitted to extending the same kind of treatment to Ireland. On the other hand, should there be a change of government and a Liberal administration come into office, which were to decide that it was not going to continue the British agreement and obtained the consent of the British government to changes in the agreement in any or many particulars, we would be obliged under the Irish-Canadian agreement to give the same treatment to Ireland as we gave to Britain. That is the view I have had all along as to the significance of the Irish agreement, and it is the only view, it seems to me, that one reading the bill by itself could take in the light of the phraseology of the measure itself. I know, of course, that the side notes and memoranda attached to bills by the government are not part of the bill itself, but they are all intended as guides to parliament. Looking at this trade agreement, which has only five sections, the first approves of the trade agreement, and anyone looking at the terms of the trade agreement will see nothing there that could be objectionable reading it in the light of what I have just said. Clause 3, which is the one to which the Minister of Trade and Commerce has just referred, has the following opposite it in the margin: "Extension of advantage to Irish Free State," that is, extension to the Irish Free State of the advantage of what would be given to Britain. That seems to me a perfectly fair and just attitude for Canada to take towards Ireland. But had I understood at the time or had I ever had the slightest idea that in being asked to extend to Ireland treatment equal to that which we are extending to Britain we were thereby obliging ourselves to raise and maintain duties against other countries, I certainly would not for one moment have countenanced that particular clause or the bill which contains it.

May I ask, Mr. Speaker, if it is the desire and design of the government in dealing with these imperial agreements to trick us into some adherence or agreement to a measure? Is there a motive in all of this so sinister that the administration itself is not perfectly frank with parliament in regard to the full meaning and significance of these measures? I say that if the government had been straightforward in this matter and had presented to parliament in the first instance, as the British government did, their resolutions to be considered in committee of ways and means, and after discussing the British agreement we had taken up these other agreements which the government now says are based on the British agreement, instead of taking up the other agreements first before we had even considered the significance of the British agreement, there would have been no danger of misunderstanding. Such misunderstanding as has arisen has arisen from that source. It bears out very strongly, I think, what I said on a previous occasion, and to which some exception was then taken, that it looks to me very much as if there was a conspiracy in this matter somewhere on the part of some of those who had to do with the making of these agreements. Hon. gentlemen opposite have taken exception to the words "Tory conspiracy," but may I say that to my mind high protection and Toryism are synonymous, and I believe that there has been in the minds of the Prime Minister and others of his administration an effort, under the guise of these trade agreements, to appeal, on the one hand, to the patriotism of the people of the country and, on the other, by a subterfuge, to put across tariffs which will increase the already inordinately high tariffs of this country, and which will make a large part of our tariff schedules permanent for a number of years.

If it is the unity of the empire amongst other things that we are considering, I think it is most unfortunate indeed that in our own parliament we could not have complete frankness on the part of the administration as to the exact purport of agreements proposed and that we should not be accorded the same rights and privileges as are accorded to the members of the British House of Commons. I protest very strongly, Mr. Speaker, against Canadian members of parliament not being accorded the same rights and privileges as members of the British House of Commons. These rights and privileges have been denied to us, and I say again most emphatically that if that were the only ground upon which we could ask the members of the house to oppose the agreement at this stage it would be an amply sufficient ground.

I am not going to go over again the many reasons why we oppose the Canada-United Kingdom agreement, for they have already been amply stressed. But what has taken place this afternoon has brought out a new feature which makes those reasons stronger than ever, and I am very glad that it has, because it makes clearer than ever the reason why we should oppose not only the United Kingdom agreement but the other agreements as well. It has been made perfectly clear here this afternoon that what is intended is not what we were led to believe, a series of bilateral agreements between Canada and other parts of the empire, each of which stood on its own feet, and was to be read only in the

light of what appeared on the face of it, but rather by means of clauses and schedules referring to what is part of some other bill, an effort so to entangle the whole tariff structure of the British Empire that hereafter it will become impossible for independent action to be taken on the part of the parliament of Canada with respect to most of its own tariff, an effort effectively to restrict its freedom in respect of fiscal matters all along the line. All this bears out what the Prime Minister said, that really what we are doing here is not to follow any national policy with respect to the tariff in Canada, but that we are in the midst of framing an imperial tariff policy which will so bind this country in the years to come that it will be impossible for our tariff as it stands to be modified in any particular, seeing that either as respect Africa or Rhodesia or Australia or New Zealand or Newfoundland or the Irish Free State or the United Kingdom itself something will be found in the agreements which will make it impossible to make changes which may be vastly in the public interest without violating in some way the unity of empire or bringing in question our loyalty to the empire, and all the rest of it.

I want to say in conclusion, Mr. Speaker, that so far as the procedure is concerned, this House of Commons having been obliged to depart from British procedure, you yourself as Speaker should rule that the procedure up to the present has been wholly out of order and not in accordance with British parliamentary practice, and then permit us to reconsider these agreements in accordance with the full rights and privileges of a British parliament.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, it had not been my intention to intervene in this debate, and I should not do so were it not for some observations of my right hon. friend the leader of the opposition (Mr. Mackenzie King). Inasmuch as I had not planned to intervene, I trust he will not take exception if I do not follow him at length. I hope also that he will not consider me discourteous if I state that I do not feel it essential that I should do so.

With respect to procedure, what my right hon. friend has succeeded in demonstrating is that the Dutch captured Holland. We have followed the same procedure in respect to this measure as has been followed in respect to other similar measures. Furthermore let me point out that in the Prime Minister's opening speech the distinction between our procedure here and the procedure in the British House of Commons was very clearly stated to the house. The reason we have proceeded as we have is a most logical one: If this agreement were not approved by this house we would not be called upon to make the corresponding tariff changes in ways and means.

Mr. MACKENZIE KING: The same applies to Great Britain. That is not true.

Mr. RHODES: If my right hon. friend will be patient, I say that our course is not only logical but is entirely in conformity with the procedure followed in this house since confederation. If my right hon. friend has discovered at this late date that the procedure of the British house is better, that may be open to argument; but let me say to my right hon. friend that he had the opportunity, not only during his own term of office but many years before that, of moving to have it changed. But now after almost a quarter of a century he has discovered that our procedure in this house is different from that followed in the British House of Commons.

My right hon. friend has also discovered that there has been some trickery here. May I say with all deference that my right hon. friend tricked himself. It did not arise from any action on the part of the government or of hon. gentlemen on this side of the house. He made a most astounding statement a moment ago; he said that when the Irish bill was before the house—that is, the one that passed a few minutes ago—we had not then the British agreement before us. Why, Mr. Speaker, the British agreement was contained in a bill which has been before this house for weeks.

Mr. MACKENZIE KING: I meant before it was discussed.

Mr. RHODES: And we sat in committee on that bill for almost a week. We discussed it for four days last week and one day this week.

Mr. MACKENZIE KING: My hon. friend knows what I mean.

Mr. RHODES: Let me point out this: assuming his statements of fact were correct —I submit the records of the house show the contrary to be the case—the Irish bill, by section 3, very clearly states that:

> After the said agreement is brought into force, and so long as it remains in force, goods, the produce or manufacture of the Irish Free State, which are imported into the Dominion of Canada, shall be admitted into the Dominion of Canada on the terms granted to similar articles, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

When my right hon. friend said today that he was going to support Bill No. 4 because it was different from the other agreements, he either had not read the Irish bill, or if he had he did not know what was in the United Kingdom bill. In either case the right hon. gentleman tricked himself.

Our procedure, I submit again, as the records of this house will disclose, is precisely in conformity with the procedure which my right hon. friend pursued during his tenure of office. Not only is that the case, but I repeat, it is the logical course in the circumstances, because if the agreement had not been approved by this house we would not be called upon to make the corresponding tariff changes in committee of ways and means.

Mr. MACKENZIE KING: May I ask what did the Chancellor of the Exchequer in Great Britain mean when he said that "we could not introduce the bill until we have got it approved in ways and means"?

Mr. RHODES: That is the easiest question in the world to answer: because their rules are different from ours. That is the whole answer. Just here let me say that if I have heard my right hon. friend complain of one thing more than another in respect to Great Britain, it has been that we should not be dominated by Downing Street. Surely the right hon. gentleman is prepared to admit that we are capable in this house of formulating our own rules for the guidance of our own procedure, and that if there is anything wrong with our procedure it is a matter for us to deal with, not to go to Great Britain to find out how they conduct their procedure under their own rules.

Mr. MACKENZIE (Vancouver): May I ask a question in regard to ways and means? Are there not some changes to be made by the Minister of Finance as announced by him when we were discussing the various schedules?

Mr. RHODES: I am glad my hon. friend from Vancouver Centre has submitted that question. It leads me to say that one would gather from the remarks of the right hon. leader of the opposition that the opposition had been denied opportunity of discussing the question in committee of ways and means. The schedule to the British bill contained the identical changes which are to be dealt with in committee of ways and means. When my right hon. friend came to the discussion of those items he will recall that I expressed the pious hope that in discussing them we would not traverse the same ground again in committee of ways and means. My right hon. friend assented to that proposal, and we discussed the items in committee on the bill for four days.

Coming to the specific question of the hon. member for Vancouver Centre, let me say that the changes which will arise in committee of ways and means are only consequential changes in the wording of items for the purpose of properly fitting the new items into the framework of our tariff—that and nothing more. We take a portion of a parent item and deal with it. We leave a residuum of the parent item that has to be dealt with in ways and means, and except for one or two minor amendments in the direction of enlarging or widening freedom of trade with the mother country, every amendment which will be made in the committee of ways and means will be an amendment in consequence of tariff changes which arise of necessity.

Mr. MACKENZIE (Vancouver): May I point out that the discussion of two or three items was deliberately deferred at the suggestion of my hon. friend the Minister of Finance? In regard to books and periodicals for example, my hon. friend suggested that we would have full opportunity for the discussion of those items in committee of ways and means. Now we are passing on the bill without having the discussion.

Mr. RHODES: The discussion will be had in committee of ways and means. I recall the item in particular of which my hon. friend spoke; it had to do with drugs and chemicals.

Mr. MACKENZIE (Vancouver): And periodicals.

Mr. RHODES: That is the item upon which my friend raised a question, and I suggested to him that we should wait until we were in committee of ways and means, for the obvious reason that the description of the item in complete detail, and its relation to other items, appeared in the ways and means resolutions.

Mr. MACKENZIE (Vancouver): Then I submit that that is the reason we should have the discussion in committee of ways and means before we have the third reading.

Mr. RHODES: Well, Mr. Speaker, I submit that we are not in committee of the whole house—not that I object to the questions. But I do not know that I need proceed any further; I think the matter is abundantly clear. Certainly I challenge contradiction of the statement that we have not proceeded in conformity with the rules and

procedure of this house. Having said as much I do no know that it is incumbent upon me to say anything more at this stage.

Mr. HENRI BOURASSA (Labelle): I am not going to touch upon the question of procedure. The Minister of Finance, from his point of view, has made it quite clear that the procedure followed was according to the rules of our house, whether good or bad. In some respects we should follow closely what is done in England, because the English have a longer and wider experience of parliamentary procedure than we have. On the other hand I agree fully and unreservedly with the Minister of Finance when he says that if there is anything wrong in our rules, we should change them according to our needs.

But there is one point that I wish to bring up at this moment, before we pass on to the third reading. My objection to all these treaties—including the Southern Rhodesia treaty, against which I voted, as against all the others—is the objection which was so eloquently expressed by the right hon. leader of the opposition, and not eloquently but with conviction, so far as I am concerned, by myself: that these treaties put impediments in the way of our world trade. That is my main reason, and I stick to it. With regard to the English treaty, I did not take any part in the discussion in committee; I left it to better informed members of the house to take up the various items and argue pro and con. The debate was extremely interesting and illuminating, although somewhat protracted. But the point I want to make now is the same I made previously: impediments in our foreign trade; and I take as an example our possible relations with France.

During the debate in committee, one hon. member to my left pointed out that as regarded a certain item of the tariff, we were making it more difficult to trade with Holland. I now wish to point out that in this treaty we are making it more difficult, by various changes in the tariff and by the fixation of duty on certain articles for five years, to make a good treaty with France. I understand from press reports that my excellent personal friend—if I may call him so without compromising him in the eyes of some of the supporters of the government—the Secretary of State (Mr. Cahan), is now in Paris endeavouring to negotiate a treaty with the French government. No gentleman in this house and no member of the government is better qualified to carry on such negotiations; but without intending to embarrass the hon. gentleman I should like to point out some of the provisions of this treaty which will make it more difficult for him to conclude a bargain good for Canada as well as for France.



At the outset may I say that I discard entirely the sentimental aspect, so far as French Canada is concerned; though it would be just as legitimate for the French Canadians to desire to make trade arrangements with France on a basis of sentiment as it is legitimate for Canadians of English or Scotch origin to desire trade arrangements with British countries on that basis. I will endeavour to remain true to myself. When I first ran for the House of Commons, in 1896, a trade agreement had just been concluded between Canada and France. The negotiations were carried on by Sir George Foster, then Mr. Foster, a minister of the Conservative administration in Canada, and by M. Jules Siegfried, Minister of Commerce of France. The Conservative candidates in the province of Quebec boasted that the Conservative government having made the first trade arrangement with France, our former motherland, we therefore should vote for the Conservative party. I took the ground that all trade arrangements whether with France, England or any other country on earth, should be judged from the viewpoint of Canadian interests. That is still my position. Let me add, however, that though sentiment should not be the inspiration of a trade agreement; though business considerations and economic principles should be the two guiding thoughts in the minds of those representing any country negotiating with another country, it must be acknowledged, that even in trade arrangements, there are what Bismarck called imponderable considerations which must be taken into account.

Now let us face the facts as they really are. Whether or not some of us like it, the fact remains that one-fourth the population of Canada is French by origin and French in culture; that they read French books and magazines; that, as pointed out the other day by the hon. member for Rimouski (Sir Eugene Fiset), their physicians go to Paris to finish their studies and come back with notions of French science; they are familiar with the French pharmacopoeia; they make use of French surgical instruments and recommend to their patients the use of French remedies, which are counted among the best, and which have the great advantage over our own that you can read upon the bottle or box what is contained in the medicine prescribed by your doctor. Now I take this treaty, and when I

read through the items what do I find? Here is item 171, covering books. It carries a duty of "free" under the British preference, 10 per cent under the intermediate tariff and 10 per cent under the general tariff. Then item 206, covering serums; this is free under the British preference, 20 per cent under the intermediate tariff and 20 per cent under the general tariff. Item 229 deals with common or laundry soap, and the duty per one hundred pounds is 50 cents under the British preference and $1.50 under the intermediate and general tariffs. Then we come to castile soap, most of which is manufactured at Marseille. The duty per pound is free under the British preference and 2 cents under the intermediate and general tariffs. Then we have perfumery, a class of goods, as everyone admits, produced par excellence in France. The duty is 20 per cent under the British preferential tariff and 40 per cent under the intermediate and general tariffs. I find manufactures of aluminum carrying a duty of 15 per cent under the British preference and 30 per cent under the intermediate and general tariffs. Then we have kitchen or household utensils of aluminum. Here again anyone who has travelled has found that French-made utensils of this kind are by far the best, the most elegant, among the cheapest and at the same time the most enduring. Under the British preference the duty is 20 per cent, and under the intermediate and general tariffs it is 30 per cent. Then I come to surgical instruments, which were dealt with by the hon. member for Rimouski. These are free under the British preference, with a 10 per cent duty under the intermediate and general tariffs. I come to a very important item, that of chemicals and drugs. By excision from item 711 these are now free under the British preference, with a 25 per cent duty under the intermediate and general tariffs.

I have taken at random some of the items in connection with which France is predominant, some of the items our people are accustomed to purchase at the general store, at the chemist's and at the bookstore. These articles are imported from France; they form part of our everyday life, part of our culture. A few weeks ago I received a letter from a firm of large importers of French chemicals, in Montreal. Their trade is made up exclusively of importations from France, drugs and chemicals of the highest character and so on. They supply the hospitals of Quebec as well as certain institutions in New Brunswick and in northern and eastern Ontario. They also import perfumes and goods of that kind. By this treaty we are tying our hands; we are forbidding ourselves the right to offer terms of preferment to France in connection with the exportation of these goods to Canada. Not only are we offering to Great Britain a preference on articles in the manufacture of which the British are inferior to the French; but by reason of the fact that we have raised the intermediate tariff to the level of the general tariff, we are binding ourselves not to offer France a preference on any one of the items I have named as against the rest of the world. We are not able to offer France more favourable terms than we can offer Germany, Italy, Spain or any other country on earth in connection with books, serums, soaps, perfumery, manufactures of aluminum, surgical instruments, chemicals and drugs. I claim that this is unfair to us, not only to French Canada but to Canada generally.

Of course, Mr. Speaker, we French Canadians have a first right in this regard. No one will dispute that it is the right of the French Canadian to purchase French books, to read those French books, to have those French books given his children for their education or their amusement on the same terms that our English speaking friends offer English books to their children. Surely there is not one father of a family in this house who would claim that it is as fair to tax the French father of a large family and make him pay a penalty because his children read French as it is to provide duty free English books for a classical Yankee-Ontario family consisting of father, mother and pet dog. We have families of five, six, eight and ten children, girls going to convent and boys going to college, some in commercial schools and others in classical colleges, all of whose text books are in French. A large proportion of the primers, of course, are printed and published in Canada; but from France we import all the great classics in the French language, a source of pride not only to all people who speak French in any part of the world, but also to all civilized beings—a source of intellectual pride and enjoyment to men and women everywhere, whether they be of English, Scottish or Irish origin.

After forty years of public life and travel through the various provinces in Canada, I have found, to my delight, in the last ten or fifteen years, a fast-growing knowledge of French in all the English-speaking sections of this country. If there is in my disloyal eyes one redeeming feature about our participation in the nefarious war of 1914-18, it is the growing interest which a large number of

English-Canadians are now taking in French literature and affairs. I might name some of these people like my hon. friend from Toronto South (Mr. Geary), who was an officer in the Canadian army in France. That hon. gentleman learned French there and is now a reader of French books. Occasionally I go to Toronto or Winnipeg, where I find branches of L'Alliance Française, kept up by the enthusiasm and the intellectual interest of university men such as Professor Osborne of Winnipeg, a leading member of Manitoba university. They are consumers of French books and literature. Why do you tax them 10 per cent as against the average Canadian who prefers, as is his right, to read English books because he knows nothing else?

I will go further. From a point of view which I am sure will appeal to the Prime Minister as well as to the leader of the opposition, taking a much broader view than the simple aspect of trade, taking the basic conditions of our country and the necessity of using every means, political, economic, literary and social to build up a strong Canadian nationality, I claim that we must take all legitimate means to preserve this Canada of ours from the insidious and constant penetration of Yankee ideals and literature, and Yankee morals or immorality. I am not saying this against the American nation. There are in the United States plenty of cultured people, and good people, living a moral life. But I must say that the contact between Canada and the United States is made, as a rule, not through such people. Our country is being flooded with the cheapest and commonest American literature. The vast majority of our youth ignore entirely those splendid works of literature and history, of poetry and science, that have their birth in the United States, preferring to purchase the dime novel and that filthy literature that comes by the carload from across the border. We in Quebec are trying, for all we are worth, to preserve the French language in order to safeguard our youth from such contamination.

I appeal to the leaders in this parliament, to whatever party or race they belong: Do you not think that we are doing a service to the whole of Canada in preserving one-fourth of its population from penetration by the ideals of a foreign country? Let us leave aside questions of morality; let us discuss the matter from the national or even the imperial point of view. Does anyone think it makes for the greater loyalty of Canadian people towards England to allow them to Americanize themselves from day to day, from week to week, from year to year? No, sir. If you want a true Canadian, of whatever race or province or party or religion, to be a bulwark against Americanism, you must cultivate such a Canadian not by making him more British but more Canadian, whether he speaks English or French. As I have said frequently, whether we are of French or English descent, whether we worship in a Catholic or in a Protestant church, there is one and only one sentiment by means of which you can unite the people of Canada, and that is devotion, not to the empire, not to Great Britain, not to France, but to Canada.

Now, Canada is a confederacy of people of varied types; but I do not think it is any disparagement of foreign races such as are represented by some of the most worthy members of this house—Germans, Lithuanians, Hungarians and so forth—to say that after all the history and the mental composition of Canada have had their sources largely in the two races that founded this country—and again I am echoing the words of that man for whom I have cherished all through my political life the greatest admiration, Sir John Macdonald. It was through the free association of the best representatives of the British races and of British culture—whether English, Scottish, Irish or Welsh, it does not matter—and the representatives of French culture and French aspirations, whether of Norman or of Poitevin origin, as my own is, that we created a national soul, composite, dual in its language and diverse in its aspirations. That is the one original characteristic of Canada. It is not our political institutions, half British and half American. It is not our school system—even in Quebec I would not say it is our school system, and certainly it is not the school system throughout the English provinces which have largely adopted the American system of education. It is not our economic life alone, which is but a replica of American economic life. It is not the interchange of trade alone; because, in spite of treaties and tariffs, we still trade more with the United States than with the whole of the British Empire taken together. No. Do not rely only on trade, on dollars and cents, on labour organizations or on capitalistic institutions to preserve Canada; but draw upon the moral elements of the community and the ethnical aspirations; and even, as I have frequently said, do not disregard the prejudices of the various elements who compose the country. For my part, I have never begrudged the English-Canadian, whether of English or Scottish origin, his devotion to the empire although I dread a little the imperialism of the Irishman. In my

youth I had a very good Irish friend, a dear one. He had lived in the United States, in Brazil and elsewhere; he could speak three or four languages, but he had preserved his Irish brogue and his Irish mind. One day, speaking with me about someone else, another Irishman, he said, "Never trust an Irishman who has touched the king's shilling." There is a good deal of truth in that because, as a rule, the Irishman who has touched the king's shilling has betrayed the country of his birth. Even the king cannot trust him. But in Canada all true Irishmen, all true Scotchmen, all true Englishmen and all French-Canadians, faithful to their origin—at least to the point where it is permissible to be faithful to a foreign country from which one's forefathers have come—agreed some seventy years ago to form a nation. Later on, under the leadership of that great Canadian statesman, Sir John Macdonald, they decided to free their common country from any restriction, legal, political or material, imposed by the British in connection with our fiscal laws. As I stated a moment ago, Sir John Macdonald declared: so much worse for British connection, if the maintenance of British connection means the maintenance of Canadian inferiority. One of his successors, I do not know whether it was Sir John Thompson or Sir Mackenzie Bowell, it does not matter which, entered into a treaty with France. In our trade relations with England we should not forget the necessity of trade with other countries, especially France. On the other hand, in our trade negotiations with France we should not forget the interests which we have at stake in British countries. In all our trading, whether with France, with Great Britain, with Ireland with Southern Rhodesia or any country, our first duty is to the people of Canada.

I appeal to the most generous and enlightened English speaking members of this house. I am sure if they thought seriously of this matter there would be no opposition to my proposal. I repeat, we French Canadians have the right to purchase French books as cheaply as English speaking Canadians can purchase English books; we have the right to purchase chemicals coming from France as cheaply as those which come from Germany or England, and we have the right to purchase aluminum utensils for our households produced in France as cheaply as articles produced in other countries. As far as we are concerned, we feel that this is a matter of right, but there is more than that. The house should consider the advantage to Canada as a whole in enlarging her trade relations, especially with countries with a similarity of tastes and education. This will make for closer and more constant economic relations; it is the sentiment which should be expressed in our economic relations.

One further observation and then I am through.

Mr. GOTT: Hear, hear.

Mr. BOURASSA: Apparently the defender of the autonomy of the onion will be glad to see me sit down. But I am not speaking to onions or onion growers; I am appealing to men who have brains and know how to use them.

I come back to the sound argument made by one of my hon. friends in connection with Holland. He pointed out that our trade with Holland was favourable to us. At the time the French treaty was broken, it was alleged that our trade with France was adverse. Figures were given by the Minister of Trade and Commerce to support this contention. Just in passing, I may say that he has submitted to the trying ordeal of the last week with a spirit and intelligence which warrants my highest compliment. It was stated that on the basis of figures supplied by the Department of Trade and Commerce, our trade with France was adverse. In reply to this statement the French consul in Montreal, Mr. Marchal, published a letter in the Montreal Gazette, couched in the most polite and concise terms, showing that the trade returns as compiled by the French government gave an entirely different result than those published in Ottawa. He did not contend that the figures published here were false, not at all; he simply proved that there was a difference in the method of computation. This demonstrates once more that statistics do not always tell the truth. France figures her imports by tracing up the country of origin of goods coming into the country. Whether they come from Montreal, Quebec, Halifax or Saint John to Havre, Cherbourg or Bordeaux, or from Canada via other countries, they are all counted as Canadian goods. We figure our exports by the country of consignment; with the result that millions of dollars worth of Canadian goods are shipped to England to be reshipped to France as British goods. I do not begrudge prosperity to the British trader or broker; but I claim for Canada the right to sell its goods to France, to Japan, to China or any other country as its own goods and to reap the full benefit of trade and international comity by being able to demonstrate, as in the case of France, that we have shipped more goods than are shown by our figures. I hope this matter will be adjusted

when the representatives of this and the French government meet in Paris; and that in the future the trade statistics will be presented in such a way that the Canadian producer, whether the farmer, the industrialist, the lumberman or the fisherman, will have the full benefit of accurate figures on exports to foreign countries.

I may not be in full accord with the leader of the opposition (Mr. Mackenzie King); he is worried so much about the poor Englishmen that he would probably be adverse to my suggestion. I think it was the Minister of Finance (Mr. Rhodes) who stated that the English trader is quite capable of looking after himself, and I also think he is. His great success during the last three hundred years has demonstrated that he does not need the assistance of Canadian statistics in order to increase artificially the figures of his trade. The British trader should be content with the enormous profits he derives from trading in the produce of his own country, and allow to us Canadians the full benefits of what we produce and sell to foreign countries.

I do not think I need add anything more to my argument.

Mr. GOTT: Hear, hear.

Mr. BOURASSA: Again the onion grows impatient; let the onion be quiet, because it means just five minutes more added to my speech. Let the hon. gentleman smell his onions and shed his tears.

With respect to one country, at least—and this is the object of my argument—one aspect of the case has apparently been disregarded. I would be the last man to blame the Prime Minister, the Minister of Trade and Commerce (Mr. Stevens), or the Minister of Finance—who in my opinion represents the most civilized province in Canada—

Some hon. MEMBERS: Order.

Mr. BOURASSA: Yes, although I am not a Nova Scotian, I say that. May I illustrate my thought by a little story concerning an hon. gentleman whom the minister knows very well? This gentleman was asked by a very assertive Toronto or Montreal lawyer—it does not matter from which city, because it would have been the same—how it was that people from down there were so different to what other Canadians were. My friend responded, in his somewhat hoarse voice: I do not know, but perhaps it is because we are a thousand miles nearer than you are to civilization.

I am sure that the ministers never thought for one moment that they were imposing a special burden upon the province of Quebec and upon French Canadians generally. But, as a matter of fact, this trade agreement imposes a special taxation upon the readers of French books and upon the purchasers of those goods to which I have referred.

An hon. MEMBER (Translation): All law books.

Mr. BOURASSA: I do not think hon. members of the legal profession should object to paying a little more for their law books. That extra payment might represent a return of not always honestly earned money. It would constitute perhaps merely a form of restitution to the state.

Mr. LAPOINTE: Order.

Mr. BOURASSA: My remarks must not be taken as personal at all, and perhaps I can soften them by saying that I am sure my hon. friends read more works of literature, of philosophy and of history than they do dry law books. Therefore I plead with them, and for them, not as lawyers, but as intelligent, honest and cultured men, and similarly in the case of all the others. So, from the broad point of view, and, I am sure, without any intention of being offensive, I repeat that, not only to the French Canadian but to the fast growing number of Canadians who realize that French culture, French literature and even the use of French material objects which form part of French culture, are of use to Canada, it must be evident that the exclusion of Frenh goods, in order to give a little more advantage to British traders, is not good policy. I have no objection to my friends feeling delight at the idea of communing under these treaties with their yellow, black, greyish or bluish brothers of those scattered lands over which the Prime Minister occasionally throws a fatherly eye; but at the same time I claim for us, 3,000,000 French Canadians and, let us say, about half a million English Canadians who commune with us in French culture, the right to ornament our minds and to cure our bodies in a French fashion, which is just as legitimate as the right of my friends to take English drugs, absorb Irish or Scotch whisky and read English books. With all that I leave the matter in the care of the Prime Minister and his colleagues. The other day, the Minister of Finance very kindly said to the hon. member for Rimouski that he would call the attention of the British government to the item of surgical instruments—I may say that I have just as great an objection to being cut with a French as with an English instrument—but, selfishly speak-

ing, not yet being called upon for an operation to be performed by the hon. member for Rimouski, I still go on reading French books and drinking French wine, which I consider far preferable to Irish or Scotch whisky—

Mr. NEILL: Oh, no.

Mr. BOURASSA: I did not say French brandy. I make more use of wine than either brandy or Scotch.

I think the government should bear in mind these observations in the representations they may make to the British government. I am quite sure Mr. Baldwin or Mr. Ramsay MacDonald will understand the situation immediately. They are civilized. They are not ashamed of being close neighbours to France. They were not ashamed during the war to have a vanguard of 2,000,000 Frenchmen die in order to preserve the English coasts. I am quite sure the English government would not object to our government changing somewhat the terms of this treaty in order to enable Canada to make better terms with the French government for trade, racial and cultural purposes.

Mr. GOTT: I regret very much the hon. member for Labelle (Mr. Bourassa) misinterpreted my applause. I may say that I did not utter a word while he was speaking, and if he thought I was applauding in appreciation of his remarks, he was very much mistaken; I was applauding because I thought he had completed his speech.

Mr. BOURASSA: I heartily apologize to the hon. member if I misunderstood him, and I am glad to tell him so.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the hon. member for Labelle (Mr. Bourassa) has made a very eloquent appeal for certain racial and linguistic groups. I should like to make an appeal for certain economic groups. We in this labour group have had very little to say with regard to these treaties, because we did not feel that on the whole they affected very materially the people whom we represent. But the other day we did speak with regard to the textile industry, because we felt that the protection which was being offered to the textile manufacturers did not in any sense guarantee decent wages or conditions of living for those employed in that industry. The Minister of Trade and Commerce (Mr. Stevens) suggested that there would be an inquiry into conditions in that industry. A correspondent of mine in Montreal has just written me his view of that situation. He has been an overseer of carding both in Lancashire and in Canada and he has made a computation based on the wages paid and the production in the card room department. He thinks this is sufficiently wide to repudiate the employers' claim that they need to be protected from low wage competitors. Without going into his computations, may I give his conclusions: The Lancashire spinners pay $12.24 for 5,760 pounds of production. The Canadian spinners pay $5.40 for 7,200 pounds of production. Let me put it in another way: the Lancashire spinners pay $1 for 470 pounds produced, and the Canadian spinners pay $1 for 1,333 pounds produced.

Mr. EDWARDS: Does that refer to cotton or woollen textiles?

Mr. WOODSWORTH: He is dealing with the Valleyfield mills—cotton.

Mr. BENNETT: The hon. gentleman has not perhaps considered the difference in machinery.

Mr. WOODSWORTH: Undoubtedly we have better machinery, but having better machinery we produce a great deal more and the wage cost per unit is not as great.

Not only are our people at a disadvantage from the point of view of wages paid, but as I said the other day there is a difference in general social conditions. Take, for example, the lack in Canada of any protection on the part of trade unions. I hold in my hand a card containing the agreement between the Shawinigan Cotton Company, Limited, and its employees, and I read:

> The undersigned hereby agrees with The Shawinigan Cotton Co., Limited, that in consideration of being engaged by the said company, the following conditions shall be a part of the contract and be binding upon the parties.
>
> 1. This said engagement shall be a fortnightly engagement, the wages shall be paid fortnightly and two weeks notice of cancellation shall be required on either side.
>
> 2. All employees being absent from their work for five hours without permission from their respective foreman, and unable to produce a doctor's certificate of illness too severe to admit their attendance at work are to be considered as having left the employ of the company.

I would draw special attention to the third clause:

> 3. All persons who become members of or associated or affiliated with any labour organization of any kind whatsoever shall thereby entitle the company on its becoming aware of the fact to immediately discharge them without notice and to hold as forfeited all wages due them by the company at the time of such discharge, notwithstanding anything in this agreement.
>
> 4. All persons having left the employ of the company without having given two weeks' notice and having worked for said two weeks

in the employ of the company shall thereby forfeit all wages due them at the time of leaving.

5. The rules and regulations posted up in the mills of the company shall be and are part of the contract between the employees and the company and are binding upon the parties.

6. It is the right of the company when it closes its mill or part of it on account of a strike or when it closes its mill or part of it on account of repairs, to lay off any person at any time without notice and no action for so doing shall lie against the company notwithstanding anything in this agreement.

In witness whereof the parties hereto have signed.

The Shawinigan Cotton Co., Limited.

And a space is left for the signature of the employee. It seems to me that a contract of that kind indicates a condition nearly approaching that of slavery. The employee signs away practically all the rights that are guaranteed in most civilized countries. We ourselves, as I have frequently pointed out, in signing the Peace treaty, approved the labour provision of the treaty by which the right of labour to organize was recognized. Yet here we have a company, and not the only one by any means, paying miserably small wages, and not only preventing the employees from taking any steps whatever to better their conditions, but going beyond what most civilized countries would permit in causing the wages of their employees to be forfeited if they take action of this kind. Coupled with that is the fact that when there is a rush order they often have to work long hours of overtime. Very frequently the employees have to work, I am informed, from seven in the morning till ten at night, with only one hour's interval from 12 to 1 p.m.

I am not at all concerned with the question whether there are laws on the statute books of the province of Quebec governing such conditions. What I am concerned in at the moment is that we are giving to a company such as this, enormous so-called protection, enormous privileges, when the company is not maintaining any decent sort of living standard for its employees.

In the Ottawa Citizen of Saturday last I find some comparative tariff rates given by a man very well known here. I think this is the first time that I have quoted his statistics, although other hon. members have frequently done so. He gives an excellent list of comparative tariff rates under different administrations and compares them with the new conference rates. Mr. R. J. Deachman says:

Imagine the task of working out a simple item where instead of taking a definite ad valorem tariff rate and multiplying the invoice value of the goods by that rate, we must take the price which would be the invoice value if the pound stood at par, multiply that by the rate and then deduct ten per cent. Then add the weight duty and deduct ten per cent of the duty paid value and stick that on—this calculated as if the pound were at par, then work out the dump duty which represents 68 cents on the pound (current rate, and subject to constant modification), now divide the result by the actual value in Canadian funds of the goods imported, then you have the ad valorem rate. If you follow this complicated performance you will probably wonder why they did not multiply the whole thing by 100 and divide by Mr. Bennett's age.

Then follows the table:

Comparative Rates

Cotton Printed Piece Goods

| | Per cent |
|---|---|
| Cons. Borden | 25 |
| Cons. Meighen | 25 |
| Lib. King | 18 |
| Cons. Bennett | 61 |
| Cons. Pref. | 58·5 |

White Cotton Flannelette

| | |
|---|---|
| Cons. Borden | 17½ |
| Cons. Meighen | 17½ |
| Lib. King | 15 |
| Cons. Bennett | 55 |
| Cons. Pref. | 52 |

Wool Piece Goods

| | |
|---|---|
| Cons. Borden | 30 |
| Cons. Meighen | 30 |
| Lib. King | 24¾ |
| Cons. Bennett | 68 |
| Cons. Pref. | 64 |

Wool Overcoating

| | |
|---|---|
| Cons. Borden | 30 |
| Cons. Meighen | 30 |
| Lib. King | 24¾ |
| Cons. Bennett | 100 |
| Cons. Pref. | 93 |

High Grade Suitings

| | |
|---|---|
| Cons. Borden | 30 |
| Cons. Meighen | 30 |
| Lib. King | 24¾ |
| Cons. Bennett | 72 |
| Cons. Pref. | 68 |

Hosiery, Wool

| | |
|---|---|
| Cons. Borden | 25 |
| Cons. Meighen | 25 |
| Lib. King | *18 to 24¾ |
| Cons. Bennett | 92 |
| Cons. Pref. | 82 |

*Depending on value.

Blankets

| | |
|---|---|
| Cons. Borden | 22½ |
| Cons. Meighen | 25 |
| Lib. King | 20¼ |
| Cons. Bennett | 106 |
| Cons. Pref. | 78 |

Axminster Carpets

| | |
|---|---|
| Cons. Borden | 25 |
| Cons. Meighen | 25 |
| Lib. King | 22½ |
| Cons. Bennett | 106 |
| Cons. Pref. | 80 |

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. WOODSWORTH: Mr. Speaker, I have only a few words to add to what I said before recess. There are two economic groups; first, the consumers. One cannot look at a table such as that which I put on Hansard before six o'clock showing the degree of protection accorded the textile manufacturers, without realizing that very heavy tribute is being levied upon the people of Canada. Millions of dollars extra are being paid by the people for clothing, blankets, and other necessities of life by reason of tariff protection. It seems to me it is a very important consideration whether it is worth while for the people of this country to pay such a heavy tribute to a particular industry. Turning from the group of people whom we commonly call the consumers—I suppose we are all consumers—to the class engaged in the production of these commodities, it seems to me that we have to distinguish clearly between the manufacturers themselves, the owners of the factories, and their employees. We have been inclined to take it for granted that whatever was of advantage to the manufacturers would be of advantage to their employees. But this is true to only a very limited degree. It is quite possible that if very large profits were not permitted to the manufacturers they might close their doors, and temporarily a large number of employees might be thrown out of employment. On the other hand, as we tried to emphasize the other evening, it by no means follows that protection to the manufacturer is any guarantee of a decent standard of livelihood to the men engaged in the industry. Protection does not in any way guard against low standards or ensure that our own manufacturers shall not be guilty of what might truly be termed unfair competition.

I want for a moment to call attention to the article contained in the agreement which I read just before recess:

> All persons who become members of or associated or affiliated with any labour organization of any kind whatsoever shall thereby entitle the company on its becoming aware of the fact to immediately discharge them without notice and to hold as forfeited all wages due them by the company at the time of such discharge notwithstanding anything in this agreement.

That is very little less than a slave pact. I should think that if our Labour department were really active in the interests of labour they would immediately take steps to protect the worker in his right to organize. If this country were properly seized of the importance of the inherent rights of citizens it would not tolerate the use of an agreement of this kind by any company engaged in industry.

Mr. EULER: What is my hon. friend quoting from?

Mr. WOODSWORTH: I am quoting from an agreement which I cited before recess, between the Shawinigan Cotton Company, Limited, and its employees.

Mr. EULER: Is it still in force?

Mr. WOODSWORTH: As far as I am aware. This was sent to me recently; it is a blank card and there are no dates on it, just a place for the date. I should think it would be a matter for investigation by our Labour department. I have not the facilities for investigating it; if I went on the premises of the company I presume I would be immediately ordered off because it might be considered that I was trying to organize the employees. It is an anomaly that we should be giving special privileges to these textile companies, yet refuse to assume any responsibility with regard to the conditions which prevail in these factories. As I showed a few evenings ago, very low wages are paid; the Canada Year Book demonstrates that. So we come back to this position, that we ought to guarantee to the people engaged by these corporations the right of association, the right to decent wages and decent living conditions; and that companies failing to grant these should not be permitted to be the recipients of special privileges. That is a preeminently reasonable position. The government is in a position very readily to put such a principle into effect, notwithstanding any provisions of the British North America Act.

There is only one other matter that I should like to mention before this agreement passes. The arrangements which we are considering tend to stabilize tariffs at a very high level, and this is unsatisfactory both from the standpoint of the consumer in Canada, and from that of international relations. We, with other nations, are putting up tariff barriers that sooner or later will lead us into complications that may easily result in physical war. We are not justified in adopting such a policy, and for that reason I shall have to vote against the bill.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, I wish to make a brief statement before the vote is taken. I am voting against the treaties since in my opinion

they stabilize the Canadian tariff at a high level, the highest it has ever reached. It is a manufacturer's tariff, in which the consumer was forgotten. I vote against the treaties since the monetary policy carried out by this government makes it impossible for the Canadian farmers to sell their goods in the British market, and in so far as they do sell any goods they lose around $1.10 on every British pound's worth of Canadian goods put upon the British market.

I will give you some quotations from actual exporters to prove the truth of that statement. The Country Guide, of November, 1932, a magazine printed in Winnipeg, carried interviews with several exporters. The initials of the interviewer are R.D.C. The first interview was with Mr. Bruce Burns, president of Burns Brothers, a firm which shipped 3,000 cattle to Great Britain this year. The interviewer asked Mr. Burns what would be the effect on cattle prices on the St. Boniface market if the pound were worth $4.86, and he answered:

If the pound were anywhere near par we could pay $20 more on the St. Boniface market for an export steer, if we were exporting. But the exchange situation has got so bad that we went out of the export business last August.

The interviewer then asked Mr. F. M. Baker, western representative of the Industrial and Development Council of Canadian Meat Packers, what he had to say in relation to bacon going on the British market.

Mr. Baker said:

The loss due to exchange alone is approximately $1.40 per 60 pounds of Wiltshire and since that amount of Wiltshire is made from 100 pounds of live hog the loss is $1.40 per 100 pounds on bacon hog.

And since a bacon hog will weigh 200 pounds, that means a loss of $2.80 on every bacon hog put on the British market, due to the monetary policy of the present government.

Then the interviewer interviewed Mr. T. J. Coyle, of T. J. Coyle and Company, dealers in butter and produce, and Mr. Coyle said at the end of quite a long paragraph:

When the pound dropped below $4.25 last August we quit exporting butter to the old country altogether.

The interviewer next saw Mr. W. A. Landreth, general manager of the Canadian Cooperative Poultry Producers, who said:

If the pound sterling was worth $4.86 and there were no loss on sterling the price parity to the producer would be not 13 cents—

As it was then on turkeys.

—but 20 cents.

[Miss Macphail.]

The same man, speaking of eggs, said:

With the pound worth $4.86 the loss on sterling is eliminated, and that much added to the producer price brings it up to 18½ cents.

Instead of 11 cents a dozen as they are at the moment. That is a very serious thing. There was a loss of $20 on an export animal, $2.80 on an export hog, the stopping of butter exports altogether, a loss of 7 cents a pound on turkeys and 7 cents a dozen on eggs when this interview was given.

I oppose the treaties because the present government does not provide for the free entry of any British goods into Canada. Even on goods called free, the exchange dumping duty of 18 per cent and the 3 per cent excise tax must be paid, making a protection of 21 per cent against so called free goods. Then if the Canadian farmer sells his produce in the British market at world prices and gets paid in the British pound, when he brings that pound back to Canada he gets only $3.78 for it. But if he buys British goods with that British pound this government charges him a duty based on the par value of the pound, plus the exchange dumping duty on the duty paid value plus 3 per cent excise tax. In other words, the government gets the farmer whether he brings back money or goods. Therefore, as a representative of the farmers in the House of Commons I could not possibly support such a treaty.

These treaties will adversely affect our trade with other countries against whom we have raised our intermediate tariff. In this I am giving my own opinion, but I think it is correct. There are possibly twenty of these countries, and I think in this connection we will lose much more than we will gain. Lastly, the treaties do not recognize the economic unity of the world and the right of trade to flow where it will. These treaties have set up another group of obstructions seeking to force trade into new channels. For all these reasons I must vote against the treaty now before the house.

The house divided on the motion (Mr. Bennett) which was agreed to on the following division:

YEAS

Messrs:

| | |
|---|---|
| Anderson (Toronto-High Park), | Bourgeois, |
| Anderson (Halton), | Bowen, |
| Arsenault, | Boyes, |
| Baker, | Burns, |
| Barrette, | Bury, |
| Belec, | Campbell, |
| Bell (St. John-Albert), | Carmichael, |
| Bennett, | Casselman, |
| Beynon, | Chaplin, |
| | Charters, |

Cormier,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Dorion,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Gobeil,
Gordon,
Hackett,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNicol,
McGillis,
McGregor,
Maloney,
Moore (Chateauguay-Huntingdon),
Mullins,
Murphy,
Peck,
Perley (Qu'Appelle),
Pickel,
Plunkett,
Porteous,
Quinn,
Rhodes,
Robinson,
Rogers,
Sauvé,
Senn,
Shaver,
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Sproule,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Sutherland,
Swanston,
Tétreault,
Thompson (Lanark),
Tummon,
Weese,
White (Mount Royal),
Willis,
Wright.—84.

NAYS

Messrs:

Bertrand,
Blair,
Bothwell,
Boulanger,
Bourassa,
Brown,
Butcher,
Casgrain,
Cayley,
Denis,
Deslauriers,
Desrochers,
Duff,
Elliott,
Euler,
Factor,
Ferland,
Fiset, Sir Eugène,
Fournier,
Golding,
Hall,
Howard,
Howden,
Hurtubise,
King, Mackenzie,
Macphail, Miss,
McIntosh,
McKenzie (Assiniboia),
Munn,
Neill,
Perras,
Ralston,
Reid,
Rhéaume,
St-Père,
Sanderson,
Séguin,
Stewart (Edmonton West),
Thauvette,
Verville,
Woodsworth,
Young.—42.

PAIRS

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

Messrs:

Arthurs,
Barber,
Baribeau,
Beaubier,
Bell (Hamilton),
Bell (St. Antoine),
Black (Halifax),
Bowman,
Gardiner,
Totzke,
Beaubien,
Ahearn,
Mercier (St. Henri),
Raymond,
Dubuc,
Hanson (Skeena),
Cahan,
Cantley,
Cowan (Port Arthur),
Duguay,
Dupré,
Ganong,
Garland (Carleton),
Geary,
Gott,
Guthrie,
Hanson (York-Sunbury),
Harris,
Hay,
Johnstone,
Jones,
Laflèche,
Larue,
Laurin,
Lawson,
Lennox,
MacDonald (Cape Breton),
MacMillan (Saskatoon),
McDade,
McGibbon,
McLure,
Manion,
Matthews,
Morand,
Myers,
Nicholson,
Perley, Sir George,
Pettit,
Price,
Ross,
Rowe,
Ryckman,
Ryerson,
Short,
Simpson (Simcoe),
Spankie,
Spotton,
Stanley,
Stevens,
Stitt (Selkirk),
Sullivan,
Thompson (Simcoe),
Turnbull,
Weir (Melfort),
White (London),
Wilson,
Rinfret,
Cardin,
Ilsley,
Dumaine,
Fafard,
Dubois,
Goulet,
Mercier (Laurier-Outremont),
Rutherford,
Lapointe,
Veniot,
Jacobs,
Irvine,
Donnelly,
MacLean,
Girouard,
Boucher,
Fontaine,
Gray,
Pouliot,
Urquhart,
Mackenzie (Vancouver),
Dupuis,
Power,
MacInnis,
Heaps,
Moore (Ontario),
Parent,
Spencer,
Bradette,
Marcil,
Bouchard,
Hanbury,
Roberge,
Lacroix,
Chevrier,
Taylor,
Heenan,
Mitchell,
Garland (Bow River),
Hepburn,
Coote,
Malcolm,
Weir (Macdonald),
Brasset,
Jean,
McPhee,
Motherwell,
Gershaw,
Vallance.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted, I would have voted for the motion.

Mr. McLURE: I was paired with the hon. member for Vancouver South (Mr. MacInnis). Had I voted, I would have voted for the motion.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted, I would have voted for the motion.

Mr. WILSON (Wentworth): I was paired with the hon. member for South Battleford (Mr. Vallance), who is not in his place today. Had I voted, I would have voted for all the trade agreements.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted, I would have voted for the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted, I would have voted for the motion.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I would have voted for the motion.

Mr. COOTE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted, I would have voted against the motion.

Mr. MOTHERWELL: I was paired with the Minister of Agriculture (Mr. Weir). Had I voted, I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted against the motion.

Mr. MACKENZIE (Vancouver Centre): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted, I would have voted against the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted against the motion.

Mr. MYERS: I was paired with the hon. member for Battle River (Mr. Spencer). Had I voted, I would have voted for the motion.

Mr. HEAPS: I was paired with the hon. member for Fort William (Mr. Manion). Had I voted, I would have voted against the motion.

Mr. MORAND: I was paired with the hon. member for Terrebonne (Mr. Parent). Had I voted, I would have voted for the motion.

Mr. BOWMAN: I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted I would have voted for the motion.

Mr. SPEAKER: If hon. members would wait until the motion is carried, before declaring their pairs, the procedure would be more in order.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the motion.

Mr. AHEARN: I was paired with the hon. member for Brandon (Mr. Beaubier). Had I voted I would have voted against the motion.

[Mr. Wilson]

Mr. BRADETTE (Translation): I was paired with the hon. member for East Algoma (Mr. Nicholson). Had I voted I would have voted against the motion.

Mr. LAURIN (Translation): I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Fontaine). Had I voted I would have voted for the motion.

Mr. DUBOIS (Translation): I was paired with the hon. member for Charlotte (Mr. Ganong). Had I voted I would have voted against the motion.

Motion (Mr. Bennett) agreed to, and bill read the third time and passed.

## WAYS AND MEANS—UNEMPLOYMENT

The house resumed, from Monday, November 21, consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for committee of ways and means.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Since the government has taken the full responsibility for conditions as they exist, and we are not to have any commission to consider the matter further, I presume that all that any of us can now do is to lay before the house the actual conditions that prevail across Canada today, with a view to having some policy adopted which will help at least in part to alleviate the situation. How do we actually deal with the large number of people who are today unemployed? May I point out that there is a certain class of them whom we are simply getting rid of. Out of a grand total of deportations for the past year and a half of some 15,368, there were 9,446 who were deported simply because they had become public charges. I am not holding the government altogether responsible for this action because I know that there has been a good deal of pressure on the part of municipalities to have these people deported; but it is not fair that when we have invited immigrants to come to this country, people who very often have broken up their homes and given up jobs in the old land, having torn themselves loose to come here, expecting to find the opportunities which were promised to them, we should, as soon as they find themselves unable to obtain work, simply send them back to the countries from which they came. I do not think it is at all fair. In this land of plenty we should have assumed our obligations to care for them.

May I call attention to another class, those who are commonly known as transients. They are the men who had a good deal to do with the construction of our railroads, the building-up of our cities, and pioneering in the west, single men for the most part who

went wherever unskilled labour was needed. They were very often imported by contractors, being told that there would be opportunities for work in this country. Now they are regarded as the scum of the earth. No community will accept responsibility for them. I had a letter the other day from a friend of mine in Winnipeg. He writes:

Conditions here have become deplorable. The city seems to be filling up with destitute men. A man called at my house this afternoon and after feeding him I drove him down to the Water street hall for him to get a night's lodging. The place was full to the doors. I saw fully thirty men lying in their filth and rags within five feet of the doors—an abominable sight. We always provided for our cattle better. I took the fellow to a hotel and got him a bed and intend applying for his deportation tomorrow, as he is an Englishman with two years' residence in this country and told me he had six years' service in the imperial army.

It seems to me that that is not a fair way to deal with our English immigrants, and especially with those who have served their country during the war. I have had another communication from a gentleman connected with the unemployment conference in Winnipeg. He states that a large number of transients were stranded in Winnipeg as the result of the ban by the government upon freight train riding. He writes:

As many of them as can get into the old immigration hall in the industrial bureau are allowed to sleep on the floor there at nights without beds or blankets, and those who are unable to crowd into the sleeping quarters there are compelled to go to the police station.

In the morning these boys are given a bowl of porridge each, a cup of coffee, some dry bread and a little syrup. The only other meal they receive is in the evening, when they get a bowl of thin soup, more dry bread, and a cup of coffee.

I took this matter up with Alderman Andrews, chairman of the unemployed relief committee of Winnipeg, and he advised me the city would not assume responsibility for the feeding of these transients, but from a humanitarian basis the men are given the meagre food they now receive rather than let them starve.

And again:

It is frankly admitted by some of the Winnipeg aldermen that their purpose in giving the transients such meagre food and these horrible sleeping quarters is to force them to leave town and run the risk of being jailed in some other town for a violation of the government's order prohibiting riding on freight trains.

Mr. FAFARD: On one occasion when I was motoring I gave one of these transients a ride. After I had driven about thirty miles he put a revolver under my nose, but I punched him in the right place.

Mr. WOODSWORTH: It is possible that there are some of these transients who become outlaws but there are tens of thousands of them who up to very recently have been good workingmen. These men are being made into criminals, and the society which treats them in such a wretched manner is responsible. Some of this group of men of whom I spoke were assisted to come east to their homes, but protests were made by Toronto and Montreal against their coming back. They are kicked around from one place to another, no one will assume any responsibility for their welfare. I should like to quote another instance in connection with the homesteaders from the Peace River district. I received a communication with regard to this matter enclosing a letter which describes the situation and which reads in part:

—homesteaders from the Peace River district who are not allowed to return home as freight riders, the same manner as they were permitted to come to the harvest operations.

They were permitted to go in that manner and then were not allowed to return. The letter continued:

The people of Busby these days see many of the homesteaders making their homeward journey under different circumstances. A week ago fourteen men were stranded in Busby, some of whom had a club used on their hands to make them release their hold on the cars. That night some slept in the bush, some in the United church, others on the floor in the hotel. Next day four more weary and footsore arrived from Edmonton, and that night eighteen men were housed in the church. Sunday, the majority started northward by the tie route. Next day the others scattered, some homeward, others back to the city. Some of the group belonging to the district around Dawson creek, nearly five hundred miles from Edmonton. One man had seven dollars cash, two had less, etc.

And again:

The chief grievance of all these men is that they were allowed to come south freight riding and now denied that privilege to get home.

And again:

The order prohibiting freight riding is inexcusable under the existing circumstances. To say the least, the order is an act of crass stupidity.

Certain of these men have been arrested, some of them complain of having been roughly handled, and they state that at times money has been taken from them by the police without due process of law. I am not in position to investigate that accusation. These men are not to blame for the conditions which exist, they took the only means at hand to get to the places where they hoped to secure work.

Mr. BENNETT: There has been no change in the law; it has always been enforced persistently.

Mr. WOODSWORTH: I am well aware that riding on freight trains is against the law, but I know also that that law was not enforced, that the government lifted the ban for a while.

Mr. BENNETT: They did not.

Mr. WOODSWORTH: And allowed these people to ride.

Mr. BENNETT: They did not.

Mr. WOODSWORTH: The papers stated that the law was not being enforced, and the government gave notice that thirty days after a certain date the law would be enforced. Surely that is an implication that the law was not being enforced.

I should like to deal with the conditions which exist in the relief camps. I shall read first an extract from a despatch from Ottawa giving a description of these camps. It reads:

> In these camps, in which up-to-date sanitation has been installed and free medical attention will be given, food, shelter and clothing will be provided.

Opposed to that description, I have the following letter from a gentleman in Winnipeg which seems to indicate that conditions are not as described in the press:

> I have been asked by a committee of men, who are working at Riding Mountain park, to bring to your attention the utterly disgraceful situation which exists there. Picture to yourself a tar paper shack 79 feet x 24 with no windows, along each side there is a row of double deck bunks, these are spaced off with 8 x 1 board so that there is room for two men in each bunk. The bunks are filled with straw and you crawl into them from the foot end. Along the front of the lower bunk a narrow board is placed upon which the men may sit. The place is very meagrely lighted and ventilation by three skylights. There are two stoves in the shack in front one of which cordwood is piled up. So narrow is the passageway between the bunks that when the men are sitting on the bench there is scarcely room to pass between them. This shack 79 x 24 houses 88 men. There is a marked resemblance to a hog pen or a dog pound. At all times the place reeks of the foul smell and at night the air is simply fetid. The floor is dirty and the end of the shack, where there is a trough where the men wash, the floor is caked with black mud. I asked several old-timers their opinion of it and they state in fact that it is without any question the worst camp they have ever seen on the American continent. The toilet is thoroughly filthy, unsanitary, and far too small.

And again:

> The terrible thing about it is that many of the men who are congregated in this camp are teen aged Canadian boys forced into close association with mature men, who have tramped the streets and bummed their way through the country, with the result that the outlook of these boys stands a good chance of being completely warped and their characters so degraded and demoralized that their future is unquestionably seriously menaced.

The question may be asked: Why do men suffer such indignities, and four reasons are given in the letter, as follows:

1. Fourteen miles from the nearest railway.
2. Stool pigeons who report the least attempt at organization.
3. Intermittent surveillance by mounted police.
4. General breaking down of morale.

These men are said to be paid twenty cents a day and their board and are working on the completion of an eighteen hole golf course.

Mr. MULLINS: The hon. gentleman is entirely wrong in his statement. That camp is located in my constituency and I take exception to his remarks. That letter is absolutely wrong. Those men are taken in and used in the very best way. Their camp is far better than the one at Camp Hughes and the other camps in western Canada. Those men are well treated.

Mr. WOODSWORTH: I hope that what the hon. gentleman has said may be correct, but I say that the letter from which I have read from a man who I believe thinks he is telling me the truth, and this is another condition which ought to be investigated.

Mr. MULLINS: The hon. gentleman knows that when I tell him it is wrong, it is wrong.

Mr. COTNAM: Has the hon. gentleman attempted to verify the statements he is making before giving them to the house and the country?

Mr. WOODSWORTH: I have under my hand a letter just received from Dominion, Nova Scotia, in which he may be interested as to conditions in that part of the country. The miners who sign their names to this document report the following survey of their district:

| | |
|---|---|
| Number of families visited | 286 |
| Number of people included in above families | 1,601 |
| Number of children under 16 years of age | 813 |
| Number of children eligible for school | 515 |
| Number of children under school age | 298 |
| Number of persons over 16 years never employed | 133 |
| Total income of entire number of families | $1,434 50 |
| Average income per head per week | 0 89 |
| Total number of women in delicate health needing nourishment and unable to get same due to lack of funds | 50 |
| Total number of children delicate, underfed, and underweight | 175 |

| | |
|---|---|
| Total number of people unable to work through old age, sickness and physical disability, and no income of any kind | 15 |
| Total number of families in dire need of clothes, bed clothes, etc. | 265 |
| Total number of families in arrears for rent | 165 |
| Evictions pending | 5 |

A note says:

We have retained the original sheets, signed by the parties visited, which are open for inspection to all concerned.

If I come to Montreal I find conditions not so very different. I have under my hand a long statement by Alderman J. Schubert. Among other things he says:

Thus $3.19 was the highest amount paid per person per month in the form of relief.

And again:

The average family in Montreal has never received more than $17 per month according to the figures of September, 1932.

Mr. FAFARD: They do not have that out in the country.

Mr. WOODSWORTH: That may be. I am talking about Montreal.

Mr. BOURASSA: Is this a municipal councillor?

Mr. WOODSWORTH: This is Alderman J. Schubert of the city of Montreal. He says:

There were 32,898 people registered as unemployed on the fifteenth of October, 1932.

He says further that the following are not included in this:

Single men are not allowed to register unless they have dependents. Men who are not of six months' residence in the city are not allowed to register. Married men who are boarding, and whose families are elsewhere, are considered as single men. It is needless to add that women are not registered. Also, those unemployed who were once employed as office workers, clerks, typists, stenographers, salesmen, accountants, bookkeepers, machinists, printers, bookbinders, tailors, and highly skilled mechanics, are not registered.

So that there is an enormous volume of unemployed in Montreal. I do not think I need to go into a survey of Ontario. Mr. H. M. Cassidy of Toronto university a few months ago published a survey and report on unemployment and relief in Ontario.

In my own city the situation is very bad. The other day I received a letter from a minister of the United Church, who has a pastorate in one of the suburbs. He wrote me as follows:

The weather is still mild although there has been much snow and rain recently. We are glad because there is no money in our house but seventy-five cents in my purse. . . .

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

53719—92½

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the discussion that is now proceeding is on a motion that the house resolve itself into committee of ways and means. Yesterday evening I directed attention to the fact that I believed the amendment that was proposed was not in order. I did so, not because I had any desire to curtail the discussion, as the hon. gentleman who has just taken his seat (Mr. Woodsworth) has suggested, but I used these words:

The government has no objection to the fullest possible discussion of any question, within the rules, on going into committee of ways and means or supply, but it is another thing altogether when a motion of want of confidence is raised in this manner. Therefore I regard it as my duty to direct attention to the fact that the rules of the house do not contemplate more than one debate on the same matter during the same session, involving in either case a motion of want of confidence in the administration.

Later I said:

In the meantime, the discussion can proceed on the motion to go into ways and means. It is only the question of the amendment that I am directing attention to, but there is no reason why the discussion should not proceed for the next twenty minutes.

Which meant that we reached the hour of eleven o'clock. I desire to make it abundantly clear, despite what the hon. gentleman has said, that the government has no desire in any sense to curb, lessen, restrict or restrain the discussion; on the contrary, we invite the fullest discussion with respect to the matter that has been brought to the attention of the house. The only reason I had for suggesting that the amendment was out of order was the one I have given, namely, that I am frequently reminded by hon. members that in the position I occupy I am responsible for the proper conduct of the business of the house. The rule is there and when I directed attention to the rule I did so in very moderate language, raising the question as clearly as I could; because I do not think it is conducive to the proper conduct of the business of the house that we should invite decisions upon the same matter more than once in the same session. The rule against that is clear, and only for that purpose did I direct attention to it, believing, as I did, that it was my duty to do so. I think on mature consideration the hon. gentleman will realize that there was no desire on my part to prevent discussion but rather that we should endeavour as far as possible to observe the rules that have been laid down for the conduct of the business of the house.

When by reason of the position which I occupy I am sometimes blamed for not seeing that the rules are observed, I can only add that at times I hesitate to direct attention to what I conceive it to be the duty of the Chair itself to recognize, namely, that there has or has not been a breach of the rules of the house. The Chair of its own motion takes cognizance of the fact that an amendment is or is not in order. In Great Britain that is the almost universal custom. It is, however, the duty of the leader of the house, whoever he may happen to be, to direct attention to the fact if in his judgment the course suggested is not in accordance with the rules. I mention that because I say again that the hon. gentleman suggested that this was an effort to prevent discussion. No such effort was made or contemplated. Yesterday evening I made it abundantly clear, as I do again now, that the fullest possible discussion may, so far as the government is concerned, be carried on. If there is any doubt upon that point, it can easily be settled by the action of the members themselves in that regard.

I would have preferred to make the statement I am about to make after the reassembling of the house on the 30th of January. It will be within the memory of most hon. members that on the 29th of April, 1931, I made a statement with respect to the question of unemployment. In the course of that statement I discussed at some length the question of unemployment or of social insurance that might become the subject matter of legislation to deal with the question of unemployment and allied problems. I pointed out why the government of Canada could not introduce legislation to deal with that matter. Roughly the reasons are two. One is purely a constitutional or legal reason; the other is an economic reason because of lack of information with respect to the subject matter then under discussion.

The first reason has been so fully stated to this house on so many occasions that I shall not do more than refer to it very briefly. The right hon. leader of the opposition, as long ago as 1922, his views being concurred in by the Right Hon. Mr. Meighen, then leading the opposition, said, and in my judgment said truly, that questions of relief arising from any cause, whether from unemployment or from other causes that have brought about the necessity for relief in every province of Canada during the entire life of those provinces, rests primarily with the municipalities, and then with the provinces; but that if extraordinary conditions prevail, as did in 1922, and as did again in 1930, then the national character of those conditions may necessitate recourse being had to the federal authority by the provincial authorities to enable the matter to be dealt with.

In 1931, on April 29, as I have said, I directed attention to that matter in some detail. I pointed out what I think is common ground taken by all who have studied the question, that there is a clear distinction between an extraordinary national condition and what is called, in the language of the law books, a national emergency. Unemployment is not a national emergency. It may be a national condition involving the necessity of federal assistance to the provinces; but the fact that the second largest province in the Dominion has made it abundantly clear that it would not tolerate interference on the part of the federal authorities indicates clearly that all that the federal parliament can do by way of legislation is to assist the provinces in the discharge of their constitutional obligations. That course has been pursued by this government. It is the course that has been pursued by parliament on every occasion upon which a similar condition has prevailed. The magnitude of the disease of unemployment from which the body politic now suffers does not in any sense change or modify the character of the obligations resting upon the federal authority. I shall not do more than direct attention to the fact that the definition of the words "national emergency" has been so limited by judicial decision as to make it fairly clear that anything in the nature of national unemployment spreading over the country from one end to the other does not constitute such a national emergency. That is the judgment of the court of last resort so far as we are concerned.

The problem of jurisdiction therefore, to quote once more the language of the right hon. leader of the opposition, raises the question, on the one hand, of the conflict between property and civil rights, which are solely within the jurisdiction of the provincial legislatures, and, on the other hand, the national obligations of the dominion when it conceives a condition to prevail that warrants assistance to the provinces to enable them to discharge their duties. The question of jurisdiction therefore is at the bottom of all relief which is of a permanent character. Any legislation that may be enacted to deal, for instance with social insurance problems must have the support of the provincial authorities. I made that abundantly clear on more than one occasion here, and it was agreed to I think by every member of the house who had taken the trouble to consider the question. Now pres-

sure has been brought to bear by various organizations throughout the dominion to ensure the passage of what is known as contributory unemployment insurance legislation. That legislation, to be effective in this country, with jurisdiction divided between the provincial legislatures and the federal parliament, could have validity only, if it had the sanction both of the legislatures and of parliament. That I think has been conceded. But that difficulty is one that can be overcome. It can be overcome rather readily if the provinces will agree to such an amendment to our constitution as will clothe parliament with the appropriate authority.

It has been the purpose of this government to call an interprovincial conference between now and the date of the reassembling of this house, to discuss with the representatives of the provinces of Canada this and other problems. I pointed out to the house with respect to another matter that we had hoped to have an interprovincial conference at an early date. Conditions made it impossible to hold that conference last fall. I need hardly point out to this chamber that the government had so much work to do, and the members of this administration were so pushed and driven by the responsibilities that rested upon them that there was not an adequate opportunity to discuss and consider many matters which an interprovincial conference should take under advisement. But we have been making arrangements for such a conference. I had hoped that we would be able to have the conference without making any statement to the house, and that we might be able to report the result of its deliberations after the house reassembled. I find it incumbent upon me now to make the statement which I have just made.

There are other questions to consider besides those affecting social insurance and social problems. There are problems with respect to taxation. There are problems with respect to the Companies Act. It has been found by many investors in this country that companies operating under a dominion charter have imposed upon them, and we had contemplated, in fact had drafted, legislation that as we conceived it would amply protect investors against what they have suffered in days gone by, and recently; but it was idle to enact such legislation, for every one of the nine provinces of Canada could grant corporate existence to the same gentlemen who sought to obtain it if they were refused it here. We should have a uniform Companies Act in Canada; that is the law that provides for the creation of an artificial entity. It is a privilege that is conferred, and that law, it seems to me, should, if possible, be uniform in every province throughout this dominion. But that is a most difficult problem. The commission on uniformity of legislation, which came into being largely through the efforts of the Canadian Bar Association, has endeavoured with respect to partnership law, with respect to wills, and with respect to other matters of that kind, to ensure that we shall have uniform provisions throughout the dominion, leaving out, of course, the provisions of the civil law in the province of Quebec. That provision, however, would not obtain with respect to companies.

With regard to the division of the field of taxation, there too is a problem of very great seriousness. I need hardly point out what every member of this house who has given any thought to it knows, that the imposition of a double income tax, sometimes three income taxes, on the same income does not invite the settlement in provinces, from the outside, of people with capital. We have now two income taxes in many provinces, one by the federal and one by the provincial authority; in some others we have no provincial income tax but a municipal income tax. This question has engaged the attention of the governments of the provinces as well as of the government of this dominion. One of the ministers of finance was of the opinion that the field as far as private and individual incomes were concerned should be left to the provinces, and perhaps corporation incomes should be the field to be taken by the dominion. This too is a matter which we hope we may be able to discuss at an interprovincial conference.

There remain many other questions, one for instance being in connection with insurance, about which we have been carrying on negotiations and discussions, the Right Hon. Arthur Meighen representing the federal power, and the Premier of Quebec and the Attorney General of Ontario representing the provincial viewpoint. There are differing views there. Some of the western provinces feel that the burden cast upon them, if they undertook to regulate insurance business within the terms of the judgment of the court of last resort, would be too onerous and too expensive. That also must be considered.

There are many other matters which I will not dwell upon, but this is one which we have set down as being of tremendous importance to every part of this dominion. I take it that the judgment of the house, broadly speaking, was that any measure of social insurance should be contributory in its character, that it could not be otherwise. All the representations that have been made to me with respect to the matter lead to that conclusion.

I shall not tonight traverse again the ground covered in my address to this house on the 29th of April, 1931. I indicated there the factors that had to be considered. There was one factor to which I particularly directed attention; it was referred to last evening by the hon. member for Winnipeg North Centre; that is that a measure of unemployment insurance, to have any value whatever, must be based upon actuarial understanding of the situation. I pointed out what I take it is within the memory of every member of this house, that the British unemployment insurance legislation was predicated upon actuarial computation. The difficulties arose because it was found in practice that the fund had to borrow to enable it to discharge its obligations, and the borrowings became so great that, in the language of the government of the day, it threatened the very solvency of the state itself. Hence the difficulties to which reference has been made on more than one occasion in this house. The actuarial computations with respect to this matter cannot be mere guesswork. I ventured to point out to the house in April, 1931, that if they were to have any value, if in the language of one hon. gentleman who has spoken in this discussion we are to derive any benefit from the knowledge of the past, it can only be because we can rely upon it to enable us to go forward with plans and proposals that will not be shipwrecked because they are based upon guesswork. I pointed out then that the census would be taken in 1931, and I further pointed out that when the census was completed we proposed to have the figures disclosed by the census so analyzed as to enable us to deal with the subject, assuming, as we did, that we might be able to make a satisfactory arrangement with the provinces. I therefore desire to make it perfectly clear that in pursuance of the statement which I then made, and which I shall now read, it is the purpose of this government to have a conference of the provinces to determine what action may be agreed upon with respect to this and other matters. In that regard these words were used by me on April 29, 1931, as found on page 1103 of Hansard:

> Under those circumstances, with a census about to be taken and the necessary figures to become available, with our actuarial force willing and ready to tackle the problem from the angles that I have suggested, does any hon. gentleman think that we would be doing justice to the Dominion of Canada or to ourselves if we now passed a resolution asking the government immediately to do something which it is not equipped to do? I propose, if we are spared as a government and as individuals, that the information we will have before our term of office is ended shall be crystallized into the form of legislative proposals to be submitted to this house. I have never had any illusions as to what is involved; I have none now. I have never had any desire other than that the legislation placed upon the statute book, whether by this government or by some other, shall be legislation based upon knowledge, and not upon mere guesswork.

And I further said in the concluding words of my observations with respect to a contributory form of insurance:

> I say once more that this country will not produce men of the character it has had until men and women begin to realize that life means responsibilities and that one of those responsibilities is to help themselves. That is the only method by which social legislation can effectively and efficiently be enacted. Of that I feel quite certain. Whatever my reading and inquiries may be worth, I have satisfied myself quite clearly that in whatever we do in this regard we must recognize and realize that insurance involves premiums and premiums should be paid by the joint action alike of the insurer and the insured themselves and with the assistance of the state. In that sense, if the hon. gentleman is prepared to accept the suggestions I make, I say to him on behalf of the administration that, at the earliest possible moment consistent with obtaining information that is essential to make any measure of social insurance worth while, we will use that information for the purpose of preparing and submitting to this house a measure embodying the views I have expressed.

That was my statement on the 29th of April, 1931. I merely rise at this moment to reiterate and restate it.

I was rather surprised that the hon. member for Winnipeg North Centre, who, I judge from what he said, has made careful inquiry into the matter, was not aware of the fact that the census figures to which I referred, despite the utmost efforts of those charged with the responsibility to complete them, had been only partly prepared within the last month; it will not be until after the turn of the year that we shall have a complete set of figures which will enable us with certainty to present the matter to this house. That I am told by the chief statistician is the present condition. We have anxiously, and my colleague the Minister of Trade and Commerce (Mr. Stevens) has persistently endeavoured, to expedite the making available of this information. But it is not easy to do it. If any hon. gentleman desires to visit the chief statistician's office and learn just what is involved, he will understand why we have not that information at the moment. It was because of these facts that, as I have said, I would have preferred to make this statement after the house has reassembled and we shall have accomplished what we had in mind, namely the completion of our discussions with the provincial authorities,

and, availing ourselves of the analysis of the figures supplied by the census department, the submission to our draftsmen of the skeleton of what we conceived to be the necessary measure to meet the situation that exists.

I shall not traverse the ground with respect to what the government has done; the Minister of Labour (Mr. Gordon) will deal with that phase of the question. I can only say this: I do not believe the hon. member for Winnipeg North Centre advances his cause one whit when he reads letters from unknown sources that, to the knowledge of more than one member on this side of the house, contain statements that are incorrect. The minister charged with responsibility for the work that was carried on in Riding Mountain park visited that point for the purpose of observing just what were the facilities provided for the care of those working there, and the expressions of satisfaction on the part of those engaged in that work is, I conceive, the best answer that can be given to the complaints that have been made.

Nor shall I review in detail the statements that have been made as to the impoverished condition that exists in certain sections of this dominion. Sometimes I wonder if it is worth while reminding this chamber, or any body of men and women, that nineteen hundred years ago this statement was made: "For ye have the poor always with you". That has been the case for nineteen centuries. It is true that provision has been made by every province in Canada, I repeat, since it became a province, to care for its indigents, and I know of no municipality in western Canada that has not carried in its budget provision for the poor. I know of no legislature, that has not provided by a vote the means to care for those who are unable to provide for themselves. I do not refer to the sick; I refer to the indigent only.

This I should like to say, not to anticipate what will be said by the Minister of Labour at the appropriate time. Last spring the government called a meeting of representatives of the provinces, who concluded that it was not expedient to continue their efforts for relief along the lines that had prevailed theretofore. They decided they would have recourse to direct relief. The conference was very well attended; half a dozen of our ministers were there, and that conclusion having been arrived at, the action indicated was taken. With respect to homeless single men the minister will indicate just how the effort has been made to relieve the provinces of responsibility in that regard; because we have realized that an obligation rests upon the dominion in connection with the floating population of homeless, single men who may belong to one province but become a charge in another. The minister on more than one occasion has made it abundantly clear that as far as our effort is concerned—and we have no direct contact either with the municipality or with the individual, our business being with the provinces, the constituted authority in that regard—it is to see that no one should lack at least food, shelter and clothing. That has been the effort, and so far as we are advised that effort has succeeded. It would be easy to point out cases of apparent and perhaps real destitution, but parliament is not and cannot be the medium to care for that particular condition. It can act only through the constituted authorities, namely the provinces and the municipalities. In that regard I think our assistance at all times has been reasonably generous, and we have endeavoured to exercise such supervisions as might be reasonable without in any sense lessening the autonomy of the provinces or depriving them of their constitutional rights or jurisdiction.

I do not intend to deal further with this matter, Mr. Speaker, I shall only summarize the situation by saying that the government has in course of preparation what we believe will be an appropriate agenda to submit to an interprovincial conference. It is proposed to call that conference so that it may conclude its labours between now and January 30, when the house will reassemble. At that conference it is proposed to discuss all those matters that have engaged the attention of governments, both provincial and federal, with particular reference to the question referred to by myself on April 29, 1931, namely, the problem of unemployment and how it should be and may be dealt with under the divided jurisdiction which exists in Canada.

One further word I should add, and it is this: It is not competent for me to discuss the merits or demerits of commissions or committees of this house, but I should like to point out that parliament has no jurisdiction to appoint a federal relief commission. That is beyond our power; such a commission could not function for the very simple and obvious reason that more than one province has made it abundantly clear that they would not tolerate this interference in their business.

Mr. HEAPS: I should like to ask how it functioned in 1919, when the federal parliament appointed a commission.

Mr. BENNETT: My answer to that question is one which I think the hon. gentleman himself will appreciate on reflection. The

War Measures Act was then in force, and when I endeavoured to suggest that we should deal with the problem as one of peace, order and good government, which would bring it within the jurisdiction of this government, I was met with opposition such as will be within the memory of the house. We did succeed in securing the legislation for a limited time, but one does not like to face that sort of thing merely for the purpose of having the House of Commons sit for a month without obtaining results. With the aid of the provinces it would be competent for this parliament to enact appropriate legislation; that was done under the War Measures Act. That act now has ceased to have effect, and the condition to which the hon. gentleman has referred is a condition that no longer exists. I repeat that at the moment there is no authority on the part of this government or this parliament to appoint and clothe with appropriate powers a federal relief commission. We have done this: A representative of the Department of Labour has visited the four western provinces, and with them he has gone into this matter. They have appointed their own commissions, by means of which they are endeavouring to discharge their obligations, and the minister is giving them such assistance as may be necessary in the premises. We must realize that there are provinces in this confederation that will not tolerate the dominion interfering with or endeavouring to trench upon their jurisdiction; that they have made quite clear, and therefore any attempt on our part to create a federal unemployment or federal relief commission not only would be beyond our power but would be met at once with the resistance which any interference or trenching upon the jurisdiction of the provinces would involve.

I apologize, Mr. Speaker, for taking longer than I had expected in making this statement. I cannot promise that the legislation I mentioned in my speech of April 29, 1931, will be forthcoming, but I can promise that it will be no fault of ours if we do not meet with the provinces between now and January 30 next, and at least arrive at some conclusion with respect to those controversial matters which must be settled before any appropriate action can be taken by this parliament.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I am sure the minds of hon. gentlemen on both sides of the house will be greatly relieved at the statement which the Prime Minister (Mr. Bennett), made at the opening of his remarks, which was to the effect that he had no desire to curtail discussion on the all-important question of unemployment relief. My right hon. friend could hardly be surprised if not only those on this side of the house but the country generally gathered from what he said yesterday that such was the purpose of the administration in seeking to avoid discussion of the amendment which had been moved and which was before the house. May I say also that that impression was made doubly strong by the ruling of his honour the Speaker and by the arguments by which the ruling was supported. The impression certainly did exist very generally that this House of Commons was not to have an opportunity to discuss further or at any considerable length the question of unemployment or unemployment relief. I am not surprised that the Prime Minister came very quickly to recognize how serious would be the consequence of a step of the kind on the part of the administration. As I gather now from the Prime Minister's remarks, the house is free to discuss, on going into committee of ways and means, or on going into committee of supply, any grievance which it may wish to bring to the attention of the administration, and to do so in pursuance of the rights which we have all along assumed and claimed belonged to the House of Commons at any time the government was asking it to consider ways and means or supply.

May I say, Mr. Speaker, that I am also pleased to find myself very largely in agreement with much that the right hon. the Prime Minister has said this evening, both as to the position of this parliament in dealing with the question of unemployment, and as to the government's intention with respect to certain legislation which I understand, it now hopes may be enacted by parliament at some subsequent session. But may I say to the Prime Minister that, if anyone is responsible for a wrong impression having been created as to the powers and duties of this parliament with respect to the relief of unemployment, that person is the right hon. gentleman himself. The position stated by the Prime Minister this evening in relation to the rights, duties and responsibilities of municipalities, provinces and the dominion with respect to unemployment relief, was the position which was taken by myself as leader of the government when we were in office. We took the position, which had been taken by a previous administration, namely, that unemployment relief was in the first instance, the responsibility of the municipality; that it became, next, the responsibility of the provinces; and that it was only when one or more of the provinces found themselves unable to cope

with the problem of unemployment that it became a national emergency involving an obligation on the part of the federal government to assist the provinces in meeting the situation. That was the position which we took and maintained.

Hon. gentlemen opposite, however, know full well that, when they were sitting on this side of the house, in the two sessions immediately preceding the last general election, they consistently opposed that position, and no one more so than the present Prime Minister. He denounced us for taking an attitude of the kind, stating that it was an obligation of the federal administration. My right hon. friend not only adopted that attitude in parliament at the time, but, when an appeal was made to the country in a general election and the government of the day sought consistently to maintain in the country the position which it had taken in this house, he led an attack against the then administration on the ground that unemployment was a national obligation, and that the government in asserting the position it had taken, was seeking to evade its responsibility. May I here remind my right hon. friend how often in the course of that campaign, he said, "Mr. King promises you conferences; I promise to end unemployment."

We have heard a good deal from my right hon. friend this evening about conferences. This comes two years or more after the time at which a conference of the kind to which he refers tonight would have been held by a Liberal administration, had it been in office. No one was more emphatic throughout the last campaign than my right hon. friend in stating that the then existing condition constituted a national emergency. It was he who, over and over again in his speeches in different parts of the country, sought to arouse the people to a belief that the federal government was not doing its duty in not so regarding the situation. As my right hon. friend himself will remember, he made frequent references to the sufferings of the poor, the cries of the needy. Time and again he said that if I could not hear them, he at least could and that he would find means whereby those cries would be heard in parliament. That was the position he took at that time. It was not that the poor we have always with us. That was not what he said when appealing to the electorate. He told them in unmistakable terms that it was the duty of the federal government to see that every man who wished to work should have work. He repeatedly told the people that if he were returned to power, they would have work—work, not doles.

I have no desire at the present time to go back over the past. If the seriousness of the unemployment situation today has at least brought—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Will the hon. member who persists in perpetually interrupting please try to keep quiet when we are discussing so serious a matter as this, and when I am doing my best, in the grave circumstances at present existing to be as nearly in agreement with the Prime Minister as I can.

Mr. COTNAM: The right hon. gentleman himself interrupts as much as anyone in this house.

Some hon. MEMBERS: Sit down.

Mr. COTNAM: The right hon. gentleman interrupts himself.

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE KING: I have been unable to hear what the hon. member who has just spoken has said, but, inasmuch as I did not mention any hon. gentleman in particular, he evidently takes the remark as applying to himself. When the Prime Minister comes forward, two years and a quarter after we asked him to take the step which he now says he is about to take, and I seek to agree with him, I hope that hon. members will at least give me a chance to show wherein, so far as it is possible so to do, this side of the house will endeavour to work in cooperation with the administration. This country is confronted at the present time with a situation more serious, so far as unemployment is concerned, than it has had to face in the whole of its history. I realize that the government has a very difficult situation confronting it, and that it is finding it extremely hard to cope with that situation. As I have said, I do not wish to go over the past, beyond making perfectly clear what our position has always been. In no particular have we changed our position.

I wish further to make clear wherein the present condition so far as it has to do with state aid has come to be what it is at the moment, namely, that of the great body of the people looking to the federal government for the solution of its problems. The Prime Minister himself, more than any one else, has encouraged the people in that point of view. He did so until the moment he came into office, and for the first and second session afterwards, and he must not be surprised if, at the present time, some of the people still continue to believe that he meant something at least of what he said. May I remind the

house that at the special session of 1930, called to deal with the problem of unemployment, I advocated very strongly the immediate calling of a dominion-provincial conference to discuss the very questions referred to this evening by the right hon. the Prime Minister. I pointed out that there were many social services which were being undertaken by the provinces, some of which, I thought, could, to the advantage of Canada as a whole, be taken over by the federal administration and made a matter of federal concern. I pointed out also that there was need for consideration of the financial arrangements between the provinces and the dominion, and their revision, and I begged hon. gentlemen opposite not to continue without further consideration their grants in aid to the provinces for one purpose or another until this conference had been called.

I am sure the Minister of Justice (Mr. Guthrie) remembers that when, in the session of 1931, he brought in his measure to renew the period for a grant in aid to technical education, I said to him that I thought it would be wiser for the administration to hold that measure over until after a conference of this kind had taken place, and there was a more definite understanding as to what amounts the provinces were to receive from the federal treasury, and knowledge of the respective positions of the dominion and the provinces with regard to these matters. But my hon. friend the Minister of Justice persisted in putting through his measure, and hon. gentlemen opposite supported him. What has been the result? Although the measure is on the statute books, no contributions have as yet been made under its provisions. The government has violated its own act. As I understand, no contributions have been made to the provinces under this act notwithstanding the fact that the statute itself says that they should be made.

That is only one instance, but I cited many others where grants in aid were being made to the provinces from the federal treasury for different purposes, and advocated that, inasmuch as the situation was serious, as those who could see at all must have known, it was desirable to bring about such a conference forthwith.

I am gratified that the Prime Minister has tonight announced that it is at last the intention of the government to take such a step. May I add that I urged him to take that step, not only at the special session, but at the session of 1931, and again this spring at the session of 1932. It is gratifying to know that the government has come to see the wisdom of the course urged upon them from this side of the house over two years ago. It comes a little late, but it is better late than never, and I, for one, sincerely hope that, when the conference does take place, some of the aims which have been mentioned here tonight may in a large part be realized.

My right hon. friend has spoken of unemployment insurance and has touched upon the question of jurisdiction. Here again there is in more particulars than one no difference between the point of view presented tonight by the Prime Minister and that presented on previous occasions by those who sit on this side. We have always recognized that, if there was to be a national scheme of unemployment insurance, or a national scheme to deal with any phase of social insurance, it would have to be by agreement between the provinces and the dominion, or possibly by an amendment to the British North America Act which could be made as a result of such agreement. Taking that view, we advocated two years and more ago that the government should then and there appoint a commission to deal with the question of unemployment and kindred matters, so that once the necessary data had been secured as a guide to the measure to be drafted, whatever steps might be necessary in the way of an amendment to the British North America Act in order to permit a national scheme of insurance to go into effect could be taken at the earliest possible moment. One can only now say that more than two years have been lost, and that, after the lapse of that time, the government has come to the position which we of the opposition urged upon them from the time they came into office. I am glad, indeed, that the government has come around to our position. We shall I trust be able to work in harmony and cooperation with them. We commend them for their action, but at the same time, we cannot but regret that so long a period has gone by which might have been turned to good account in furthering and advancing such an all-important measure.

One of the reasons, I think, why so much time has elapsed is that my right hon. friend failed to appreciate the real significance of the depression which had come upon the world. In that again, his view at the outset was entirely different from the view entertained by those of us on this side of the house. During the campaign of 1930, I made, over and over again, the statement that unemployment was beginning to be what it was because of world conditions and that Canada was coming more and more under the shadow of that widening expanse of depression which had begun in

Europe and the effects of which were beginning to be felt in all parts of the world. My right hon. friend, however, took the opposite view; he told the electors that the depression in Canada was due to a local condition, to the mistakes in policy of the government which had been in office for the eight or eight and a half years previous. Wherever he went he stressed with emphasis that the condition was local and temporary and would pass if he and his supporters came into office. I think they have discovered since they came into office that we had a more accurate view than they of the economic situation, that our vision was a great deal broader, clearer and truer with respect to the condition of the world elsewhere and its bearing upon conditions in Canada. I remember that at the end of the first or second session I said to my right hon. friend that he had better make up his mind as to what line he was going to pursue from then on, that he would have to decide whether he was going to continue to say that condition was a local one, or assert from then on that it was a world condition. I have noticed that ever since that time hon. gentlemen opposite have been sheltering themselves behind the statement that they are unable to cope with present conditions not because they are local, but because they are world-wide in character. If we are now agreed also on that point, so much more to the good. While I admit that there is a world condition, I wish to emphasize again that the condition so far as Canada is concerned has been intensified many times by the mistaken policies of hon. gentlemen opposite since they came into office.

In dealing with the problem of unemployment a distinction should be made between what is required to meet the present, immediate needs of those who lack food, shelter or clothing and what may be necessary in the way of legislation to meet conditions of unemployment, or rather to ensure against unemployment. It must be obvious to all that unemployment is a recurrent condition and one which under any industrial system, I would say, having regard to the causes, is apt to recur in greater or less measure, regardless of what governments or individuals may seek to do. For this reason, it is essential that the state should make some provision which will help to meet the situation with regard to the unemployed.

Before I speak on the insurance phase may I say a word or two with regard to actual existent unemployent and the necessity of providing immediate relief. The condition in Canada today is such that this federal government must assume, along with the municipalities and provinces, the obligation of helping to relieve unemployment. Apart from all else, we know more than we care to say about the financial condition of the municipalities and the provinces. The sooner all get together, municipalities, provinces and the dominion, and find out just how their finances stand and what they can afford, the better it will be for all concerned. But I say that the condition is such that this federal government must assume some share of the responsibility. I disagree with the Prime Minister when he says that the federal government cannot, under the law as it stands, appoint a commission to deal with federal relief. The federal government can do anything that it wishes to do with respect to grants which it may make, with respect to the expenditure of federal money, and I shall cite as my authority the Prime Minister himself who, time and again, has made that assertion. He has, on each occasion when the unemployment question has been discussed, harked back to some decision which was made by the late Lord Haldane and others in, I think it was, the Board of Commerce case, in respect to some fair prices measure, in which reference was made to what constituted a national emergency. I am not going to quarrel with my right hon. friend's assertion as to what may or may not be done under the constitution with respect to matters of emergency; what I say to him is that all he has stated in that connection is entirely beside the mark. When we on this side of the house have advocated the appointment of a nation-wide commission which would have to do with the administration of relief, in so far as that relief was being given through moneys taken from the federal treasury, we have been speaking entirely of a federal responsibility in regard to the expenditure of federal money, its distribution and supervision. Surely hon. gentlemen opposite will agree that, with the consent of the provinces, a federal commission could function in cooperation with the provinces in the administration of relief. That is entirely a matter of agreement. If there are provinces which do not wish anything in the way of federal assistance, they ought to be quite free to say so and if they so desire, to do without. But, in a situation such as exists in Canada today, there is not, I submit, a province that, if it were called into conference with the federal government and arrangements were made which it was believed would lead to greater care in the expenditure of public moneys which were necessary for the purpose of relief, would not welcome a chance to share jointly in some scheme which would be of service to all concerned.

So that there will be no mistake as to what our federal powers are, may I quote the words of my right hon. friend as given to this house as recently as October 10, just last month, when he was speaking in the debate on the address in reply to the spech from the throne. My right hon. friend, as reported on page 50 of Hansard, made this statement:

> While we have power to assist by grants of money; while we have power to impose conditions in those grants, as we have done, under our constitution the administration rests with the provincial authorities, and in all the statutes we have passed we have been careful to point out that while the danger and difficulty are national the administration rests with the provinces and the municipalities, and the duty of this dominion is to lend assistance in that direction.

Note these words:

> While we have power to assist by grants of money; while we have power to impose conditions in those grants.

Our conditions might well be the distribution and supervision of expenditure of federal moneys by and in accordance with recommendations of a federal commission. May I in this connection repeat a suggestion that I made when giving to the house the point of view of hon. gentlemen on this side with regard to the manner in which federal relief should be administered? Our position has been that the expenditure of federal moneys on relief should be entrusted to a commission, a non-partisan one preferably to be chosen by a representative conference of parties mostly interested or, even, as I think I stated when speaking on one occasion, a commission which the government itself would appoint, assuming responsibility for its appointees, even if they were all from one political party, but nevertheless a commission which would be charged with the supervision of federal relief and the expenditure of such moneys as came out of the federal treasury. I said that I believed if a step of the kind were taken the mere fact of there being a body of this character charged with supervising relief would go very far in bringing about uniformity in methods of administration throughout Canada, the avoidance of duplication and the effecting of great economies.

I made a concrete suggestion then, and I want to repeat it this evening. I would suggest it to the ministry as a step which even yet should be taken; should be taken this year with regard to federal moneys which are to be expended on unemployment relief for purposes other than the immediate direct relief of necessitous cases. The suggestion is this, that the federal government work in combination with the municipalities and the provinces, undertaking to grant its share of relief, but on the condition that all money which goes from the federal treasury for purposes of relief must go to the unemployed as wages in payment for the work which they will be given to perform; that no part of the federal money shall be paid to contractors or to those furnishing supplies or used for purposes of paying for superintendence of work, for equipment, the buying of tools and the like; that the federal government see to it that moneys voted by this parliament be placed in the hands of a body of trustees, so to speak—call them by whatever name you like—to be paid out in the manner I have indicated.

May I illustrate concretely what I mean? There has just been completed in the city of Ottawa a campaign for the raising of money for unemployment relief. The money raised in this city is to be supplemented by money from the province and also by money from the federal treasury. I believe it would lead to economy in the interests of the municipality, the province and the dominion, if the federal government said: With respect to such money as we grant, it must be used for payment of actual labour performed on relief work of one kind or another which may be undertaken by the municipality and the province. What then would happen? The provinces then, in the event of their doing provincial work, would provide supplies and the necessary superintendence. The municipalities would cooperate in the same way. They already have organization at hand for the purpose of carrying out important municipal work. It would be to their interest to keep down the expenditure or superintendence, cost of construction apart from labour cost, and cost of materials and the like. With federal money going simply to pay for the actual labour that was performed, we would be sure that every dollar that was voted by the federal government would go into the pockets of the needy, the unemployed, who were being given employment, instead of a large part of it going to pay contractors for their part of the job, to pay for the material needed to put up construction camps, buildings and the like and what is to be paid for services or superintendence and the like. A step of that kind is not only feasible but has been worked out elsewhere on this continent with very great success. It helps to bring about cooperation between different parties and interests and, as I have indicated, it serves the ends of economy as well.

That, I would say, should be the method of proceeding with regard to moneys voted from the federal treasury excepting such as must go to supply immediate needs in the matter of food, fuel and shelter and clothing for those who are without any one or more or all of those. There is a distinction between the immediate necessity of assisting the destitute and those who cannot work till they are fed, and the need, almost as immediate, of giving employment to those who are out of employment but who are capable of working. I believe, wherever it is possible to have work done or relief given in the form of actual work, it is altogether desirable and preferable that this should be done. After all, there is nothing that will more demoralize the manhood of our country than for men to become recipients of doles if it is all possible for them to avoid anything of the kind through getting work and being paid for the services which they are rendering. The government should take account of that aspect of the effect of some of its own endeavours to assist those who are in need. So much for the immediate situation.

May I point out, in coming to the question of unemployment insurance, another advantage we might have had today, had the government taken the step of appointing a commission or committee to supervise the expenditure of federal moneys, not at this time or at some time later on, but two or two and a quarter years ago. If a body of that kind had been appointed it would by now have collected a fund of information which would be at the disposal of the government and of parliament at this time. My right hon. friend is probably going to appoint some commission to study this whole question. I should like to know how any commission appointed now or at any subsequent time could possibly acquire information at all comparable to that which would have been acquired by a commission appointed two years ago to deal with the question of unemployment relief, and which by this time would have had full knowledge of conditions as they exist in the different industries and in all parts of this dominion. So I say that, there again, a couple of years have been lost in carrying out a policy which, apparently, the government at the moment is beginning favourably to consider.

As to the question of jurisdiction, I do not think there will be much trouble in overcoming that difficulty, provided the government is prepared to consider a national scheme. During the summer of 1930, the Prime Minister told the people of Canada in no uncertain terms that, so far as old age pensions, which are one form of social insurance, were concerned, they could just as readily be administered by the federal government as by the provinces, and that, if the federal government could contribute fifty per cent, it could just as well contribute 75 or 99 or 100 per cent.

Mr. BENNETT: I do not wish to interrupt, but I did not say administer just as well. The administration is for the provinces.

Mr. MACKENZIE KING: I accept what my right hon. friend says. He says he does not wish to claim that the dominion could carry out the administration. After all, what is perhaps of more concern to the taxpayer than the question of administration is the cost of the contribution itself. If the federal government were about to contribute one hundred per cent of what is required to meet the cost of old age pensions and made an agreement with the provinces that it would do so only on the understanding that that one hundred per cent would be administered by the federal government instead of by the different provincial governments, I do not think the provincial governments would very long hesitate in allowing the dominion government all that was necessary in the way of latitude to secure an amendment to the British North America Act for that purpose. So I believe, Mr. Speaker, there should be little difficulty in surmounting the question of jurisdiction. I believe the day is rapidly coming when, so far as practically all forms of social insurance are concerned, it will be recognized as in the interests of the country in every way that whatever scheme there may be should be national in its scope. A national social insurance scheme, which would take care of matters of this kind on a nation-wide scale, would be much more in the interests of the country as a whole than a series of measures carried out in different ways by each of the nine provinces, to all of which the federal government would be contributing either in whole or in part. That, I believe, covers most of the points which have been referred to by my right hon. friend tonight.

I hope, Mr. Speaker, that in my remarks this evening I have shown at least a desire not to be combative and not to embarrass the administration. But I do feel that I have a right to say that the steps which are now being suggested by the government are steps which we on this side advocated two years and more ago, and have consistently ever since urged upon the administration. That much I think I am entitled to claim for this side. But having said that, may I say to my right hon. friend that, in carrying out the project which he has proposed, so far as unemployment relief and unemployment insurance are concerned,

we on this side of the house will endeavour to cooperate with him to the utmost of our ability.

I hope that when he comes to speak, the Minister of Labour (Mr. Gordon), will indicate that the government is going to place in the hands of some body of trustees, or some committee, or some commission, call it by whatever name you please, some body of independent minded men who will give their whole time and thought to this problem, the distribution and supervision of such federal moneys as may be voted by this parliament for the purpose of unemployment relief. The Minister of Labour himself must be willing to admit that the task of dealing with unemployment relief is one which is really not of a departmental nature. It has come to be a task national in its proportions and quite beyond departmental routine. The Department of Labour was established to carry on certain services, all of which have been set forth in acts of parliament. It was never contemplated that any department of the government would deal, year in and year out, with a condition in the nature of a national emergency. It is not fair to the minister, or to his staff, or to the government, or to the country, that the minister and his departmental staff should continue to seek to cope with something which they must confess they have up to the present time been unable to deal with successfully. Having been unable successfully to meet the situation, I hope now that we are facing a winter which promises to present a problem even more difficult of solution than those of the past, the government will call to its assistance some body of experts which may be able to help it in this all-important matter of the distribution and supervision of unemployment relief from federal funds.

While I am dealing with unemployment relief, may I say to my right hon. friend and the house that there is one other question closely allied to it which I believe is a matter of equally grave concern, if not of even graver concern, to this country, and that is the condition of agriculture in Canada at the present time. Here again I do not wish to embarrass the Prime Minister or the administration. We realize that in dealing with the question of agricultural conditions in Canada the government is facing probably the largest and the most serious industrial problem which it or any other government in Canada has been called upon to face. I need not go into the reasons which make me feel that there are aspects of the situation which are too serious even to mention in this house at this stage of the debate, but what I would say to my right hon. friend is this, that while we have been here now for nearly two months and are about to adjourn possibly at the end of the present week, up to the present time there has been no opportunity given to the house to discuss this all-important question. Apart from that, the country has been looking forward to some declaration of policy on the part of the administration with respect to agricultural conditions. We have heard from the Prime Minister what was done last year and the year before; we have heard from him about the special moneys that were voted for the relief of western agriculture; we have heard since about what has been done in other directions; but what the country wants to know at the present time is what is going to be done this winter? What is going to be done between now and the time parliament reassembles? That is the question which I hope my right hon. friend will answer. I realize, Mr. Speaker, that at this time I am speaking on a motion to go into committee of ways and means, and that unless some amendment which is in order is moved I shall not have another opportunity to speak until that motion is disposed of. It has been my intention if necessary to move an amendment on going into committee of ways and means which would express the views of hon. gentlemen on this side as to what they believe as respects policy the country would like to know from the ministry, and the position which we on this side would be obliged to take should the ministry not find it possible to make some declaration. I am not going to move this amendment at the present time, but I am going to read what I have had in mind to the house, and shall say to my right hon. friend that, if he will make a statement to the effect that he himself will announce what the government's policy is and will be through this winter with respect to agricultural relief, and will give opportunity to hon. members on this side of the house to consider that policy, to discuss it so that the government may have the benefit of views from all sides, then this amendment will not be moved. Unless my right hon. friend is prepared to give some such undertaking, I feel it will be our duty at an appropriate time to make a motion on going into supply or committee of ways and means—

An hon. MEMBER: No bargaining.

Mr. MACKENZIE KING: Well, if hon. gentlemen opposite would rather have me secure what I am seeking by an amendment to avoid placing the government in a position in which it would be obliged to be faced by an amendment which it would regard as one

of want of confidence, I am quite prepared to meet their wishes in that regard. What I wish to make clear at the moment is this: I have no desire to have the government construe a wish on our part to secure a declaration of policy as any desire to promote a motion in the nature of one of want of confidence. But, if the government has no policy with respect to farm relief and agricultural distress, and is not prepared to make a statement to the house, then we cannot let this stage of the session go by without registering our position in reference thereto.

The amendment which, in that event, I would move at a subsequent stage, would be as follows:

Whereas parliament has been in session since October 6, of the present year, and is shortly to adjourn until January 30, 1933;

And whereas, since parliament assembled the government has not made any statement of policy with respect to the relief of existing agricultural conditions;

And whereas, the position of agriculture in Canada has become increasingly deplorable and, unless relieved, will bring about a condition of distress hitherto unparalleled;

This house is of the opinion that the government should immediately announce what policy, if any, it has with respect to the relief of agricultural distress, and permit full consideration of the same before parliament adjourns over the months of December and January.

You will notice, Mr. Speaker, if that motion should happen to come into your hands, that it does not relate to the past; it does not relate to any discussions which have taken place; it relates entirely to the present and to the future, to what is to be done between now and the time parliament reassembles on January 30 next. As such I hope that, if it should be necessary to move it, the amendment will be found in order. But I hope, even more, that my right hon. friend will find it possible to accord to the house, with respect to a consideration of farm relief, the relief of agricultural distress, the same latitude which he now says will be accorded with respect to the discussion of unemployment relief, and that he will go one step farther and give to the house in that discussion a clear and definite statement as to the government's policy in this all-important matter.

Mr. J. EARL LAWSON (West York): Mr. Speaker, I realize that the house is desirous of hearing the Minister of Labour (Mr. Gordon), but I crave its indulgence for a few minutes, in view of the statement just made by the right hon. gentleman (Mr. Mackenzie King) with reference to those of us who sat to the left of the Speaker in 1930 and opposed what he alleges was his then policy for unemployment relief. I submit that in the statement made to the house this evening not only has the right hon. gentleman endeavoured to misrepresent the policy, as enunciated tonight by the Prime Minister (Mr. Bennett), but he also misrepresents the position which those of us who sat to the left of the Speaker—

Mr. SPEAKER: Order. To accuse another hon. member of misrepresentation is not parliamentary.

Mr. LAWSON: Mr. Speaker, I retract unreservedly the word "misrepresent." I will say that the words used by the right hon. gentleman would lead this house and the country to believe that the right hon. gentleman took in 1930 a certain position which he now takes. That I say is not the fact.

The right hon. gentleman this evening said that in 1930 he enunciated the principle that unemployment relief was primarily a municipal responsibility, then a provincial responsibility, and thirdly, under certain conditions, a federal responsibility. He also said that the right hon. Prime Minister tonight recognized that doctrine which he had propounded in 1930. So far I agree with the doctrine as stated by him. But tonight, sir, he goes a step further, and endeavours to have this house conclude that the Prime Minister said tonight that only when the provinces were unable to cope with the situation is there responsibility upon the dominion government. That, sir, is the position which he took in 1930. That is not the position which was taken by those of us who sat to your left at that time. At that time, Mr. Speaker, it was made abundantly clear by the then leader of the opposition that we then had in Canada a national condition. The Conservative members of the house then recognized, as we now recognize, that we had a national condition, and recognizing that fact, the Prime Minister immediately called a special session of parliament and voted large sums of money to assist the provinces and the municipalities in administering unemployment relief. If, sir, any proof were required of the position taken by the right hon. leader of the opposition in 1930 other than what I have already stated, surely one need only read his speech in this house, in which he positively and absolutely refused to contribute any sum whatever to any Tory province.

The right hon. gentleman tonight, with pious words and with great lamentation, regrets that this government has allowed two years to go by since it has been in power without bringing in an unemployment insurance measure. May I point out that the right hon. gentleman allowed nine years to go by while he was in

power, although unemployment insurance was a plank in the Liberal platform of 1919. So far as I am concerned, sir, and those excellent labouring people whom I represent in this house, I do not propose to allow our position in 1930 or today to be understood from words used by the right hon. leader of the opposition to be other than what it is. So far as we are concerned, we recognized in 1930 and we recognize today that the conditions with which we were confronted were largely world conditions. But we also realized, as I stated during the election in 1930, and as I state here again tonight, that had it not been for the Liberal policies in this country for nine years preceding 1930, our local condition, to which the right hon. gentleman now refers, would be much better than it is today.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I will avoid tonight, and at any future time if possible, getting into any discussion with the economists in this chamber. I do not think I could add anything to their knowledge, nor do I think the advancement of any of my views would be understood by them. Therefore in the observations I have to make I shall endeavour to confine myself to those matters of administration that for the moment are under my guidance in the Department of Labour.

I assume that I do not need to tell this house that so far as the federal end is concerned, if I may so describe it, of the relief afforded those in need in Canada, that portion has been administered through the Department of Labour, with such additional staff as has been found necessary in order that the efforts of those primarily responsible may be rendered more effective. I offer my thanks to the right hon. leader of the opposition (Mr. Mackenzie King), for his kindly and magnanimous suggestion with respect to the setting up of a federal commission to follow the course of the moneys which the dominion government may subscribe to the provinces and through them to the municipalities, but I hazard the suggestion that if the right hon. gentleman will give a little more thought to the plan it will become more and more apparent that by the adoption of such a course the overlapping to which he has made reference will be accentuated rather than reduced. I have a good deal of faith in the municipal councils, the provincial administrations and the voluntary charitable organizations of this dominion. The men who comprise those bodies are elected to the positions they hold; they are just as good Canadians, probably, as the right hon. leader of the opposition and myself. I do not say this in any critical sense, but they understand their responsibilities very clearly. This dominion is so wide and offers so many complexities with respect to its domestic management, if I may so term it, that I am convinced we cannot do better than continue as we have carried on in the past and allow the intimate administration of the relief measures to be carried out under the supervision of those upon whom the primary responsibility falls, those who have to answer to their immediate communities for the success or failure of their efforts. There is, however, a measure of protection, perhaps of control and of the giving of sound advice exercised by the Department of Labour, by reason of the information at hand in the department which probably is not available to the municipalities and the provinces. That advice is being given constantly to those administering relief throughout the Dominion of Canada.

At this juncture, Mr. Speaker, I should like to make this observation: I always listen with a great deal of attention and interest to the speeches of the hon. member for Winnipeg North Centre (Mr. Woodsworth). Someone says it is a waste of time and thought, but I do not so consider it. A review of the pages of Hansard, however, from the first year the hon. gentleman graced this chamber, will show that in every pronouncement he has made, the phraseology is nearly always the same, he voices almost the same fears, the same suspicions, the same lack of confidence in any other human being in the world but himself, and always with patient regularity he sets up something that never resolves itself into fact. In my view that sort of declamation does not advance his position one iota. Again, there is the persistent reading of such documents as hon. members heard this evening. I am almost convinced that if the hon. member for Winnipeg North Centre had taken the opportunity to go from coast to coast investigating camp conditions, he would have fought shy of ninety-five per cent or even ninety-nine per cent of the camps in order to pick out one where perhaps the administration was not what it should be, so that he might condemn the whole effort of every other Canadian interested in this matter, During the course of my efforts, such as they have been, in directing the expenditure of federal moneys and endeavouring to assist the provinces and municipalities in the careful expenditure of their moneys, I have made it my business on many occasions to visit these very camps, though I have not had very much time to spare. I did not see any evidence of the squalor or the disorganized effort to which reference has been made. On the

contrary, I saw many hundreds of single men in those camps, happy indeed during this time of stress, which I hope will not be prolonged, to have an opportunity of working out the relief given them by the state, the municipalities, the provinces and the dominion, which really means the relief granted to them by levying tribute upon their fellow Canadians who are engaged in some kind of productive work.

It is quite true that I should like to see, as every member in this chamber would like to see, men in all walks of life guaranteed happy, productive employment. That never has been the case if I read history correctly, and I doubt if it ever will come to pass; there is always a percentage that cannot realize that sort of thing. But I do say this, that under the arrangements now made and in operation throughout the provinces of Canada, there is no reason today why any person in the dominion should go without food, without clothing, without fuel and without shelter, because the municipalities are bearing their share of the burden and bearing it manfully. The province is assuming its proper place, and so far as this dominion is concerned, while I am just as sure as I am standing here that there will be no such demand made upon it, yet if it became necessary in the last analysis, every available dollar would be directed towards seeing that the distress was relieved.

Now let us see what has been done since the first relief measures were introduced and passed by this house—and I will ask the house to pardon me if I stay fairly closely to the notes I have here, because there are a great many figures in this. The Unemployment Relief Act of 1930, which came into effect in September of that year, covered expenditures for the carrying-out of public works and the giving to direct relief to relieve unemployment until August, 1931. Under the provisions of the 1930 act, the Dominion government contributed $14,396,956.79 to public works, and to direct relief, $3,556,928.47. The total cost of administration was $43,061.97. The total expenditures under the 1930 act by the Dominion government were $17,996,947.23. This expenditure resulted in public and other works being carried out to the exent of approximately $69,000,000, including the contributions of provinces and municipalities. The direct relief expenditures by the dominion, the provinces and the municipalities totalled about $11,000,000. The carrying out of the work under the provisions of the 1930 act afforded work to 337,633 individuals for varying periods, the amount of work thus afforded being 7,481,449 man-days. In August of the following year, 1931, the Unemployment and Farm Relief Act of 1931 became effective, and contributions were made for the relief of unemployment under this act until the 1st day of March, 1932, and under the continuance act of 1932 operations under the 1931 act were continued until the first of May, 1932. Under the 1931 act the Dominion government agreed to contribute the sum of $35,739,312.19 towards the carrying on of works by the provinces, municipalities and the federal departments for the relief of unemployment, the total cost of such works being approximately $81,000,000. Some of this work was not finished at the expiration of the agreements on May 1, 1932. Extensions of time were arranged to different dates, extending to the fall of 1932, the gross cost of the works thus extended being approximately $14,778,000. For direct relief, the expenditures of the Dominion government, under the 1931 act, to date, amount to $11,536,789.73, which includes $5,250,000 to the Saskatchewan relief commission. Under the 1931 act the expenditures for public works gave employment to 579,024 individuals to the end of September, 1932, the total wages paid being $38,802,101.63, and a total of 13,152,384 man-days work being afforded.

After a survey of employment conditions in the shops of the Canadian National Railways, it was decided to maintain operations so as to permit of intermittent employment being given to a large number of employees. In the month of September, 1931 the Canadian Pacific Railway Company was compelled, as you all know, to shut down its shops and the former workers of these shops were without employment, concerning whom applications were made to the government for assistance. The government arranged, as has been already stated in this house, with the Canadian Pacific Railway Company to open its shops on November 17, 1931, and to keep them open until December 31, of the same year, the government paying the wages of the workers employed in the shops, the railway company, however, to reimburse the government for expenditures so made. The total number of railway shop employees thus given employment was 8,455, the wages involved being $1,447,222. The cost of administration under the 1931 legislation was $84,487.57.

In the spring of this year, 1932, it became apparent to the municipalities throughout the dominion, and to the provinces, that the projection of works by the municipalities and by the provinces themselves was rapidly becoming so great a burden that the municipalities and probably the provinces would soon be

impoverished and unable to carry that burden further. Intimation of this condition was made to the government by various communications, and following the custom that had prevailed from the beginning of the tenure of office of this administration, no time was lost in inviting the premiers of the various provinces to come to Ottawa in order that they might sit in conference with this government to see what steps could be taken, or what other course could be adopted so that people should not suffer for lack of the necessities of life in this country, and at the same time to try to inaugurate a plan that was within the financial competence of those concerned. As a result of that invitation, on the 9th of April last, I believe it was, that conference convened in this city. All the provinces of Canada were represented, and a general and prolonged discussion took place with respect to all the various matters and the complexities of the position as it faced those interested. It was the unanimous view of the representatives of all the provinces that they could no longer finance works and undertakings on the same scale that had obtained in the year prior to that date. These representations were heard by this government, and further representation was made by the provincial premiers, headed, I think I am not unfair in saying, by the premier of the province of Quebec, for whom I have the utmost and profoundest respect. He made it very clear, and he was supported in his contention by the other provinces, that he wished to promote the scheme of direct relief. Obviously the expenses to those concerned would be materially reduced. Just as soon as the scheme of direct relief could be perfected, it was put into motion, save for the completion of works which had been commenced, the stoppage of which would have resulted in a total or partial loss of the benefit of the work done. Appropriate action was taken by the Dominion government to seek the advice of the provinces as to what works should be completed, and agreements were made and understandings arrived at in this connection. Many of these works have not yet been completed; others have been.

The relief act of 1932 received assent on May 13, 1932. Under this act agreements have been completed with all the provinces except Prince Edward Island providing for a dominion non-recoverable expenditure of one-third of an amount not to exceed $600 per family for the purpose of providing a measure of self-sustaining relief to families who would otherwise be in receipt of direct relief. This scheme was to provide for the placing of such families upon the land, the remaining two-thirds of the expenditure to be contributed by the province and municipality concerned. Agreements have been completed with respect to this project with Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia, and provide for a total dominion expenditure of $1,385,675. It may be said by some that that is a huge sum of money to be devoted to the endeavour to place some of our citizens upon the land where they can become self-supporting, but I do not think it is. This is not a colonization scheme, state-aided; it is not offered as a solution for unemployment; it is a measure which I believe to be constructive whereby selected families with agricultural background are placed upon the land where they can sustain themselves and get into some productive vocation. These families would have received at least the amount of our subscription to this scheme under direct relief.

Let me point out to the house something which I think is often overlooked. During the period from 1919 to March 31, 1932, this Dominion spent in its immigration department the sum of $36,718,454.97. That expenditure had nothing to do with the soldier settlement scheme, the three thousand family scheme or the New Brunswick five hundred scheme; that is simply the amount spent by this dominion in order to induce, invite and encourage anybody from anywhere to come to this country. Hon. gentlemen opposite may say: Oh, well, we are not all to blame because others on this side of the house, when the positions were reversed, advocated the same thing. I have searched the records and I find that when hon. members on this side were in opposition they advocated the encouraging of people to come and settle upon our lands to consolidate those lands which were served by the railways of Canada. So far as I have been able to learn they never advanced the idea that the people who were to be encouraged to come here should be other than those who were ready, willing and able to take up farm settlement along the lines of our then projected transportation system. Anyone who cares to survey the immigration into this country during the period I have mentioned will find that there was no hope of any considerable percentage of those immigrants ever taking up land and being out of competition with the industrial workers in our cities. That fact is borne out by what has happened. Go through our industrial centres, go through our lumber camps and our mines and you will see there the men who were encouraged to come to this country by the booking agents in

Europe, by the steamship lines and by the iniquitous system of permits which was in vogue for a few years, displacing Canadian labour—they are not on our farms at all.

One of the first duties which this administration had to face when it came into office was to see that that condition of affairs no longer should prevail, and, as hon. members of this house now know, prompt action was taken to revise the regulations with respect to immigration into Canada. In passing let me say that very large numbers of the immigrants to whom I have referred are good workmen. The first criticism I have to make is that they are not on our lands, they are in our industrial centres; my next criticism is that their coming here was not so regulated that we could at least exclude the major portion of those who are today the instrument contributing largely to the sentiment growing up in Canada condemning their compatriots who are trying to make good.

I should like to pursue this matter a little further. We had to take measures to correct this situation. I find by reference to the figures that in the fiscal years ending March 31, we encouraged the following numbers of immigrants to come into this country:

| Fiscal Year | Number of Immigrants |
|---|---|
| 1927 | 143,991 |
| 1928 | 151,597 |
| 1929 | 167,722 |
| 1930 | 163,288 |
| 1931 | 88,223 |

Perhaps that last figure will require an explanation. When, in August, 1930, I came first into contact, as the responsible minister, with the Immigration department, having this situation under review and desiring if I could, without being unjust and unfair to those who had perhaps started to come to Canada and had broken connections with the old land or the land of their birth, I inquired as to how many would probably still be on their way or be covered by permits, and it was most difficult even to make an estimate of how many there were. For some reason or another the early spring of 1930 was a prolific season for permits and a great number of people whose permits had not expired because they were for five months, came forward after this government came into power. It would be obviously unjust were this government to say: You must not and shall not enter Canada. They had been granted the right to do so, and I think we did only what was fair and just in permitting them to come. But in the fiscal year ending March 31, 1932, immigration to Canada dropped to 25,752. Many of those are the wives and children under eighteen years of age of men who had come forward preceding their families, and in each case I gave very strict instructions that the settlement arrangements must be of such a kind and character that the man in this country would be able to receive and care for his dependents.

Having in mind what I have just said, and the amount of money that has been spent in those few years in the Immigration department, I think hon. members will all agree with me that the principle involved in the allocation of $1,385,675 for the purpose of carrying on from a federal standpoint what I believe has not before been attempted with the exception of the soldier settlement, is a proper one, namely, that if any Canadian money is to be spent for these purposes it should be devoted to colonization at home until we have by a proper corrective process remedied to some extent the urban and rural complexion of our population, which complexion is today, as I say, most disproportionate. Only forty-five or fifty years ago our urban population was only 18 per cent; today it is almost 54 per cent of our total population. The reason is obvious.

Mr. MACKENZIE KING: The reason is obvious—the tariff policy.

Mr. GORDON: My right hon. friend says the tariff. The tariff has been blamed for so many things and the resort to the tariff in times of stress by hon. gentlemen opposite is so frequent that I could almost put the word to music.

There were, of course, contributing causes. Industry attracted the young men and some young women from the rural to the urban districts. They were attracted undoubtedly by high wages and other considerations regarded as inducements to take up urban life. At any rate, this money has been allocated for the purpose to which I have made reference.

Prior to this step being taken I had an interview in November, 1930, after some correspondence, with the presidents of the two railway companies, Mr. Beatty and Sir Henry Thornton. In answer to a joint letter directed to me by the presidents of the two railway companies, in which they rather urged a continuance of the railways agreement in a modified and restrictive form, I directed this letter to each of them. Perhaps I may be pardoned if I read it. This one is dated October 30, 1931, and is addressed to Mr. Beatty; a similar letter was sent to Sir Henry Thornton:

I have received the joint communication of October 1st from Sir Henry Thornton and yourself, giving a review of the colonization

activities of the two railways for the past five years and submitting your views with respect to an immigration and colonization program for 1931. I thank you for this letter and have to state that illness which has confined me to my room for several days has prevented an earlier acknowledgment.

We have a common purpose I trust when considering a colonization policy for this country, namely, to do that which is best for Canada both socially and industrially, giving these terms their widest construction, always bearing in mind that this is a British country with two major peoples, English and French speaking. We may differ in points regarding such policy but there is no ground for difference regarding the desired objective. I wish to state further that the conduct of immigration and colonization as a national business function must take proper cognizance of the importance of our Canadian transportation systems, particularly in view of their bearing on our whole financial and economic structure. I will not dwell on the soundness of the railways' policy as stated in your letter, namely that of projecting railways in advance of settlement. You have made it abundantly clear, both in previous public utterances and in your letter of the 1st instant, that actual and sound land settlement from a purely business point of view (as well as from the national standpoint) results in the type of business that is best for the railways, namely, the production of freight traffic, which I understand constitutes approximately 70 per cent of the total earnings of the railways. Colonization of this character conforms to my own view.

We have just concluded an emergency session of parliament, summoned to cope with a national unemployment problem. When parliament met in September it was reported on the basis of the most accurate survey and information available that 117,000 people in Canada were unemployed and that this number would be increased to 200,000 by the end of the calendar year. As Minister of Immigration and Colonization, it was my duty to analyse the situation with respect to the bearing that immigration had on the problem in hand. Analysis showed that of the total immigration of 221,561 people admitted to Canada in the sixteen months ending with July 31st of this year no less than 99,367 were males over eighteen years of age, and of this latter number 25,305 had entered in the first four months of the present fiscal year. It is clear, therefore, beyond peradventure that either substantial numbers of immigrants who have recently arrived in Canada are in the ranks of the unemployed, or conversely, they have displaced Canadians who are now unemployed.

Confronted with this situation I could choose one of two positions—blame the immigration policy of the previous administration, including the Continental Railways agreement under which very substantial numbers of immigrants were brought to Canada in recent months; or address myself (in so far as it is my duty as Minister of Immigration and Colonization so to do) seriously to the task of assimilation and absorption of these people. I have chosen the latter course, and it is my view that Canada is now faced with a colonization and assimilation problem of major importance within her own boundaries, and she will have little time to devote in the immediate future to the question of active solicitation looking to the entry of any substantial number of people now resident in other countries. Unqualified expressions from responsible representatives in several of the provinces amply support this opinion.

It is my view that, confronted as we are with this assimilation and colonization problem within Canada, there is ample scope for constructive colonization work on the part of the railways, provinces, and the Dominion Department of Immigration and Colonization—work of a character that while primarily putting people into productive enterprise, will at the same time result in the type of colonization and settlement which your letter of October 1st so clearly points out as such sound business from the point of view of the railways. I may say that at the present time I am giving careful study to a submission from one of the western provinces which outlines a comprehensive colonization plan for settlement on the land of Canadian residents. This particular plan appeals to me as eminently constructive, and in fact for some years past I have held the view that there was a sound field within our own borders where the activities of all concerned in this great problem could in a large measure be usefully employed.

In this letter I am not attempting to reply in detail to the various points raised in your letter of October 1st. In view of the general position I have outlined I do not see that any good purpose is to be served at this juncture by attempting to fix responsibility for mistakes that have occurred, and we must all try to learn aright and apply with courage the lessons pictured by the mistakes of the past without dwelling unduly on the question as to whether these mistakes were made by the government, the railways, or both. Your letter, from your point of view, points out that the immigration and colonization activities of the railways have been conducted in a manner resulting only in actual placement and land settlement. I have carefully noted your reference to the issue of "government permits" by the previous administration. I may state that as long as I am Minister of Immigration and Colonization I will take full responsibility for the number of such "permits" it will be my duty to issue. Making due allowance for the "permits" issued in 1929, and up to July 31st of the current year, together with the commitments of my predecessors, I hope that the railways will assume responsibility with respect to immigrants they have brought in or may bring in to Canada.

With regard to your recommendations, I may say that as far as assisted immigration from the British Isles is concerned we are in agreement that assistance shall continue for juvenile immigrants. For agricultural families I think passage assistance should be limited to British families coming under the New Brunswick Scheme, or any similar scheme for families, as well as the wives and children under eighteen years, of men already settled on the land.

The assistance for juvenile immigrants and the New Brunswick Scheme have since been discontinued. The letter continues:

With respect to female domestics, my view is that having regard to existing conditions, passage assistance should be discontinued for the coming year.

I suggest that immigration from the Continent should be limited for the time being to

those classes admissible under P.C. 183 as amended on the 14th of August last. Existing conditions indicate that we will have next year an ample supply of farm labour and I suggest no encouragement can be offered to a movement even of agricultural families who are without sufficient funds to begin farming on their own account. I am of the opinion that our inquiries into family settlement, both British and continental, will show that many of the families who came in last year and this year have drifted away from the farms either through lack of capital or because of insufficient wages. Until this condition clears up I am convinced that our immigration, particularly from the continent of Europe, must, in the interests of Canada as well as of the immigrants themselves, be limited to those agricultural families who have sufficient capital to establish and maintain themselves on the land.

In conclusion, it is very gratifying to find that you are of the same opinion as myself with reference to directing our joint efforts toward promoting British immigration in preference to any other.

As suggested by you, I should like very much to have a full discussion of the situation with Sir Henry Thornton and yourself here in Ottawa at a date mutually convenient.

Mr. MACKENZIE KING: By whom is that letter signed?

Mr. GORDON: I thought it was a very good letter, so I signed it myself.

At 11.05 the house adjourned, without question put, pursuant to standing order.

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## Wednesday, November 23, 1932

The house met at three o'clock.

### PRIVILEGE—MR. COOTE

Mr. G. G. COOTE (Macleod): I rise to a question of privilege, Mr. Speaker, arising out of an inaccurate report appearing in the Ottawa Citizen this morning under the heading "Glimpses of Parliament." The portion to which I refer is as follows:

> The division saw the United Kingdom treaty ratified 84 to 42, with all the Conservatives voting for it and all the Liberals against it. The third group split up,—Kennedy, Speakman, Luchkovich, Campbell, Lucas and Carmichael voting with the government, and Bourassa, Neill, Woodsworth and Miss Macphail against it. The rest didn't vote at all.

I was present in the house yesterday when all the votes were taken, and I announced the fact that I was paired with the hon. member for East Calgary. That statement is recorded in Hansard, I think, in connection with every vote. If it is accurate to say that all the Conservatives voted for the agreement and all the Liberals voted against it when we know that many of them were paired following the usual custom, it is not accurate to suggest that those in this corner who were paired did not vote. I should like to say also that so far as I am aware all the members in this corner of the house who were not recorded as voting were paired, and those pairs were recorded in Hansard. I simply suggest to the Ottawa Citizen that this apparent inaccuracy in all fairness might be corrected.

### PRIVILEGE—MR. GOTT

Mr. ECCLES J. GOTT (South Essex): Just a further word with regard to pairs, Mr. Speaker. I think there should be an understanding—

Mr. SPEAKER: Is the hon. member speaking on a question of privilege? He knows what is meant by a question of privilege.

Mr. GOTT: On a question of privilege I should like to say that I was in the house for every vote yesterday, but there is a possibility that I was not recorded as having voted because I did not announce my pair.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

#### CENTRE BLOCK EMPLOYEES

Mr. YOUNG:

1. How many employees are engaged in the centre block when parliament is not in session, and what is the total cost per annum to the government?
2. How many additional employees are engaged during the time parliament is in session, and what is the cost to the government per day of such additional employees?

Sir GEORGE PERLEY:

House of Commons—

1. As at September 30, 1932: permanent, 88—annual salary $237,618; temporary, 120—annual salary, $139,787.70.
2. As at October 31, 1932: sessional, 292—salary rate per day, $956.37.

Department of Public Works—

1. (a) 17; (b) $25,244.88 (after ten per cent deduction made).
2. (a) 21; (b) $84.33 (after ten per cent deduction made).

Note.—The information applied for in so far as it applies to the Senate, should be asked in the Senate.

#### *QUEBEC HARBOUR COMMISSION—EMPLOYEES

Mr. VERVILLE:

1. Was Mr. Barthelmy Pelletier in the employ of the Quebec Harbour Commission in the month of April, 1931?
2. If so, what were his office hours?
3. Did he devote his full time to the duties devolving upon him as an employee of the commission during the month of April, 1931?

Mr. BENNETT: This question, together with questions 5, 6 and 7, is a question that it is not within the ability of the government to answer. Clearly not one of these questions could be regarded under any circumstances as a question which the government would answer if it had the ability to do so, notably question No. 6. I remember this matter being discussed in the house some years ago. The government finds itself in rather a difficult position; this is an independent corporation created by statute, and it is impossible to ask whether or not a man was absent from his work for an hour or so, and who recommended that he be allowed to absent himself. Those are not questions which can be answered by this government. The affairs of the Quebec Harbour Commission, of course, are under survey; the accounts are audited and a report is provided. The matter might be taken up, I conceive, in the public accounts committee, where payments to that corporation are examined. I think an agreement was made by the late Minister of Finance that the accounts of the harbour commissioners could be considered in the public accounts committee. Obviously these questions cannot be answered by the government, and I do not think some of them could be answered by the commission itself.

Mr. SPEAKER: The information sought by questions 4, 5, 6 and 7 not being available to the government, the questions will be dropped.

Questions dropped.

NICOL, LAZURE AND COUTURE

Mr. LAFLECHE:

1. Upon whose recommendation did the Department of National Revenue retain the services of Messrs. Nicol, Lazure and Couture, solicitors of Sherbrooke?
2. How long have they been in the employ of the Department of National Revenue?
3. In connection with what cases were their services utilized?
4. What sum was paid to the above named solicitors?

Mr. RYCKMAN:

1. When legal services are required the Department of Justice nominates the legal agents to be employed.
2. Application is made to the Department of Justice in each case.
3. R. and G. Manufacturing Company (in liquidation), Rock Island, Que.
4. $1,373.50.

BEADLE, SASK.—POSTMASTER

Mr. CARMICHAEL:

1. What is the name of the present postmaster at Beadle, Saskatchewan?
2. On what date was he appointed?
3. Who recommended him for the appointment?
4. Did other persons apply for the said position?
5. Was the Canadian Legion British Empire Service League asked to recommend a great war veteran for this position?
6. If so, did they recommend one as requested?
7. Was he appointed? If not, why?
8. Did the department receive applications from veterans of the great war? If so, on what dates and what are their names?

Mr. SAUVE:

1. John A. Flower, OAS.
2. November 15, 1932.
3. R. L. Hanbidge, M.L.A.
4. Yes.

5 and 6. The legion was not asked to make a recommendation but was notified of the vacancy in the usual way. The application of Mr. J. Bradley, OAS, was supported by the legion.

7. No, Mr. Flower was the returned soldier selected.

8. Yes. J. Bradley, 5th October, 1932; John A. Flower, 14th October, 1932.

LEAGUE OF NATIONS—YEARLY COST

Mr. LAVERGNE:

1. Since the inception of the League of Nations, what has been the yearly cost of Canada's membership in that body?
2. During the same period, what are the several items that make up the annual cost of said membership?

Mr. BENNETT:

1 and 2.

| | Contributions towards support of league | Expenses of office Canadian advisory officer | Cost of delegations | Cost of publications | Total cost |
|---|---|---|---|---|---|
| 1919-20..... | $ 64,043 15 | — | — | — | $ 64,043 15 |
| 1920-21..... | 200,000 00 | — | $19,952 29 | — | 219,952 29 |
| 1921-22..... | 186,237 31 | — | 10,289 38 | — | 196,526 69 |
| 1922-23..... | 195,140 47 | — | 15,391 36 | — | 210,531 83 |
| 1923-24..... | 183,668 03 | — | 10,044 16 | — | 193,712 19 |
| 1924-25..... | 168,353 29 | — | 11,899 20 | — | 180,252 49 |
| 1925-26..... | 163,656 38 | $ 9,577 37 | 12,540 91 | — | 185,774 66 |
| 1926-27..... | 165,271 06 | 9,970 31 | 5,878 17 | $ 430 25 | 181,549 79 |
| 1927-28..... | 150,777 13 | 11,971 89 | 23,338 67 | 375 00 | 192,870 37 |
| 1928-29..... | 155,568 18 | 16,970 78 | 23,987 80 | 3,000 00 | 199,526 76 |
| 1929-30..... | 171,481 53 | 22,482 07 | 19,333 34 | 3,000 00 | 216,296 94 |
| 1930-31..... | 184,169 73 | 24,637 27 | 19,887 46 | 3,000 00 | 231,694 46 |
| 1931-32..... | *236,353 17 | 26,370 21 | 17,598 98 | 3,000 00 | 283,322 36 |

* Including disarmament conference.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

### POST OFFICES—QUEBEC

Mr. POULIOT:

1. Was the location of certain post offices in the province of Quebec changed since the month of August, 1930?
2. If so, what are the post offices and in what county is each one located?
3. What is the distance between the location of each new post office and that of the former post office?
4. Did the postmasters lose their position as a result of the change in post office location ordered by the Post Office Department?
5. If so, what are their names and address?
6. Was each postmaster instructed to change the location of his post office before the change was made?

### IMPORTS OF FARM IMPLEMENTS

Mr. GOTT:

1. What were the total imports of farm implements into Canada each year, calendar or fiscal, 1917 to 1931 inclusive?
2. What changes of tariff were made in the foregoing years on imports of farm implements?
3. When were such changes made?

## DOMINION PROVINCIAL CONFERENCE

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): Referring to the statement made last night by the Prime Minister with regard to a prospective Dominion-provincial conference, I should like to ask the right hon. gentleman, if he is able to give us the information, whether or not it is proposed to include in the agenda and have considered at the conference, the question of jurisdiction with regard to the operation of and rates charged by motor vehicles and motor buses which work in competition with the railways.

Right Hon. R. B. BENNETT (Prime Minister): That matter has been under consideration, but no conclusion has been arrived at.

## ANGUS SHOPS, MONTREAL

### ADVANCES BY GOVERNMENT TO CANADIAN PACIFIC RAILWAY COMPANY

On the orders of the day:

Hon. E. N. RHODES (Minister of Finance): Yesterday the hon. member for North Waterloo (Mr. Euler), and the hon. member for Laurier-Outremont (Mr. Mercier), submitted questions which had to do with the opening of the Angus shops in Montreal. The position is that the Canadian Pacific Railway Company sought the assistance of this government, since otherwise their shops not only at Angus but throughout the whole system probably would not have been opened until some time in the new year. The government agreed to assist, but the terms and conditions under which that assistance will be given have not been completed as yet. As speedily as they are completed they will be embodied in an order in council which will be brought down in the house immediately.

There was one other question submitted by my hon. friend from North Waterloo, as to whether any advances or loans have been made to any other industry or industries. The answer is that there have been none other than those which already have been disclosed to the house.

## BUSINESS OF THE HOUSE

PROCEDURE ON GOING INTO COMMITTEE OF SUPPLY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Would the Prime Minister allow me to anticipate a possible question which may arise later this week, in the event of our desiring to go into committee of supply. As my right hon. friend knows, unless some departments already have been in committee of supply it would not be possible to take up on Thursday and Friday without the unanimous consent of the house any of the items which may be in the supplementary estimates. We on this side have no desire to delay matters, but inasmuch as we have not been in committee of supply at all, if the government wish to proceed with supplementary estimates on Thursday or Friday we would like it understood that the order of procedure on either of those days would be the same as on Monday or Tuesday.

Right Hon. R. B. BENNETT (Prime Minister): I had hoped, Mr. Speaker, that if we got into committee of ways and means today we would be able to take an appropriate moment formally to move the house into committee of supply so as to comply with the provisions of the rule, and in order that the house might be in committee of supply on Thursday and Friday for the purpose of considering the items included in the supplementary estimates. I tried to explain to the house that the only reason we are dealing with the supplementary estimates now is that since the house is in session a warrant could not be issued for the payment to the returned soldier pensioners of the relief provided for them. It has not been the custom of any administration to vote the entire sum; as the right hon. gentleman knows, the matter usually has been disposed of by means of governor general's warrants. Technically, however, the house is in session, so a governor general's warrant cannot issue to meet the requirements. I offer that reason as an apology for asking the house to consider supply at this time; for that reason we are asking that these items be considered. Whatever suits the convenience of the house and of hon. gentlemen opposite certainly we will endeavour to do in connection with supply. I was going to suggest, if it is the desire of the house, to expedite the business, that with unanimous consent I should be willing that the house should meet at eleven o'clock in the morning. That, however, is entirely as the house may think.

[Mr. Rhodes.]

Mr. WOODSWORTH: No; I object to sitting after eleven o'clock.

Mr. BENNETT: I did not say that we should sit after eleven o'clock; I said I should be willing that the house should meet at eleven o'clock tomorrow morning.

Mr. WOODSWORTH: I do not object to that. I could not hear—I hear so little of what goes on.

Mr. MACKENZIE (Vancouver): You are lucky.

Mr. MACKENZIE KING: There is a possibility that we may not advance far enough today to have the house consider a motion to go into supply. Except it were understood that we were not to deprive ourselves of the right of discussing any question we might wish to take up on the motion to go into supply, I do not see that any useful purpose would be served by a formal motion. I hope the Prime Minister will not expect us to give consent to any arrangement which will deprive us of the right of taking up any matter we may wish to discuss on going into supply. I think that ought to be understood.

Mr. BENNETT: I think it is perfectly clear that in going into supply the right of this chamber to make known its grievances is so well understood that not even this government will endeavour to limit it in any way.

Mr. BOURASSA: Don't put that on the shoulders of your colleagues.

Mr. BENNETT: If, therefore, it suits the convenience of the house and we do not reach supply today, we will make a formal motion to go into supply, as though we had not been in supply.

## FRUIT GROWING INDUSTRY

On the orders of the day:

Hon. H. H. STEVENS (Minister of Trade and Commerce): Yesterday the hon. member for Northumberland (Mr. Fraser), under the guise of a question, made a statement as follows, that:

> About one-third of a cargo of canned fruit loaded at St. Catharines on a Norwegian tramp was shipped from Medina, New York, and labelled with Canadian Canners labels, to be conveyed by that steamer to the British market.

In the first place, I wish to say that a statement of that kind, unchallenged and unrefuted, would certainly do serious damage to Canadian trade. I therefore made immediate and very

careful inquiries and am able to inform the house that there is not a word of truth in the statement. The goods so canned were the product of Canadian farms, fruit and vegetables, and canned in the factories of Canadian canneries under the inspection and supervision of the inspectors of the Department of Agriculture in accordance with the Canned Foods and Meats Act. In every sense this was a Canadian shipment, and I add this, that far from permitting the impression to go abroad that in any way Canada was not playing the game in its trade with the United Kingdom, the fact is that Canada has every reason to be proud both of the magnitude of the shipment and of its contents.

## REMEMBRANCE DAY

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): On Monday last the hon. member for South Perth (Mr. Sanderson), asked a question in regard to the uniform and equipment of the Royal Canadian Mounted Police on Remembrance or Armistice day, in this city. I have now the information. "A" division paraded with Sam Browne equipment with no revolvers or ammunition, and no rifles. "N" division paraded with Sam Browne equipment similar to "A" division, but their revolver holsters were attached to the belt. They carried no ammunition, revolvers or rifles.

## THE GOLD STANDARD

On the orders of the day:

Mr. S. W. JACOBS (Cartier): Now that the government is in such a receptive mood I should like to direct the attention of the Prime Minister to an item which appeared in a Montreal paper last night, a newspaper not unfriendly to the government, declaring that it is the general belief in Ottawa that between adjournment and the reconvening of the house on January 30, Canada intends to go off the gold standard. Will the Prime Minister allay the feelings of the people in this regard?

Right Hon. R. B. BENNETT (Prime Minister): I am very grateful to the hon. gentleman for affording me the opportunity to answer that inquiry. Canada has not been on the gold standard, as that term is used, since 1929, when there was shipped to New York $40,000,000 of gold or thereabouts and gold was no longer a commodity that could be freely bought and sold, as it must be in order to enable the country affected to be on the gold standard. Secondly, there could be no action taken by the government between now and January 30 that would repeal or amend the act that provides for the metal coverage of money—

Mr. JACOBS: Under peace, order and good government?

Mr. BENNETT: That is no longer in force, the hon. gentleman having voted against it.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Therefore the hon. gentleman need have no fear that the provisions of the law as they now stand, providing for the metal coverage with gold of our paper currency to the extent of 25 per cent thereof up to $50,000,000, and thereafter dollar for dollar, will be amended, varied, altered, changed or repealed between now and the 30th day of January.

Mr. JACOBS: The answer is therefore no?

## CUSTOMS ACT AMENDMENT

Hon. E. B. RYCKMAN (Minister of National Revenue) moved the third reading of Bill No. 6, to amend the Customs Act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I did not contemplate the third reading of this measure at the moment. May I say to the minister that I understand that the section which is being repealed is being repealed in order to assist in meeting one of the undertakings in the trade agreement with Great Britain. There are, however, two sections in the Customs Act, one, section 43, and another, section 36 (2), which bear immediately on what is said to be the aim of this bill. I gather from correspondence which has come to my attention that unless section 36 (2) is also repealed or amended in a manner similar to that proposed with respect to section 43, what the minister is doing now in amending section 43 will really amount to very little or nothing in the way of affording the kind of relief which it is intended it should give. Apparently the practice of the Department of National Revenue has been this. Where an appeal is made taking exception to what is being done under section 43 and the minister has found it difficult to support the position taken thereunder, he and his officials claim they were acting under section 36 (2). But if the appeal is made in the first instance against what is being done under section 36 (2), the minister then says he is acting

not under that section but under section 43. Section 36 (2) leaves the right of final decision with the minister. As I have said correspondence which I have received since the matter was discussed on the second reading, has been to the effect that unless section 36 (2) is modified in the same way as the other section, the purpose which the minister purports to be serving will not actually be served. I may be wrongly informed as to what the effect will be, and if I am I hope the minister will show wherein this is the case. If not, I hope he will see his way clear to carry out along the lines I have indicated what is believed to be necessary to accomplish what is said to be the object of the amendment.

Mr. RYCKMAN: Mr. Speaker, I understand that I have not the right to speak at this stage.

Mr. MACKENZIE KING: Yes, you have.

Mr. BENNETT: There is no reply on the third reading.

Mr. RYCKMAN: With the consent of the house, I would be glad to reply to the right hon. the leader of the opposition (Mr. Mackenzie King). By agreement with the United Kingdom representatives we are doing in this bill now before the house for third reading exactly what they asked should be done in that respect. As my right hon. friend must know, this bill deals with the section which provides for action by the minister after the governor in council has decided, upon report of the minister, the course to be taken. Section 36-2, to which my right hon. friend refers, covers action to be taken by the Department of National Revenue within itself. It was not introduced by this government, it is departmental routine action and in respect to that it is not proposed to make any change.

Mr. YOUNG: May I ask the hon. minister a question? Do I understand him to say that the British government objected to action of this kind being taken by the minister but had no objection to the same action being taken by departmental officials?

Mr. SPEAKER: I would call the attention of the house to the fact that the house is not now in committee. These objections to the provisions of this bill should have been made when the house was in committee. The motion for third reading is debatable but it does not permit of a series of questions to and answers by the minister.

Motion agreed to, and bill read the third time and passed.

[Mr. Mackenzie King.]

## WAYS AND MEANS—UNEMPLOYMENT

The house resumed from Tuesday, November 22, consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for committee of ways and means.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I understand that my time is not quite up and I think perhaps I can usefully employ the balance.

Last evening I was discussing the effort which the government had made along the lines of returning people to the land in order to afford some outlet, in so far as it could be afforded, to those who were upon direct relief in the cities. During the time this policy of colonization within Canada has been in force and up to September 30, 1932, 66,407 individuals have been absorbed upon the land. This has been brought about by the voluntary return of people to the land or by the return of those upon direct relief and who took advantage of the several agreements which were entered into with the provinces. It is hoped that many of these people will remain upon the land and become permanent settlers.

It might be of interest to the house to know what the feelings of the railroads are in this respect. The railroads acted in conjunction with the department, and I should like to read a short letter from the president of the Canadian Pacific Railway, dated October 15, 1932. It reads:

> I have today studied a comprehensive report submitted by the chief commissioner of colonization of this company which indicates that during the past two and one-half years, 4,143 families have been settled along the company's lines.

Those are families who were within Canada, not new immigrants. The letter continues:

> You will appreciate, I am sure, that I have received the information contained in this report with more than ordinary interest and satisfaction. In addition to the benefits which logically may be expected through the settlement of lands tributary to the company's lines, such activities also represent a definite contribution to the improvement of the dominion's agricultural and industrial situation.
>
> It is, perhaps, trite to say that in the well directed settlement of our agricultural lands is to be found a very substantial contribution to the solution of Canada's railway difficulties. Yet, in that axiom rests also, in large degree, the answer to other Canadian economic problems.
>
> The report to which I have referred recalls the meeting at Ottawa in the fall of 1930 which set in motion the coordinated land movement of your own department, the Canadian National and the Canadian Pacific colonization departments, with a view to the settlement of people with some resources and a background

of practical experience. The results to date confirm the views that were expressed at our first joint meeting as to the possibilities of settlement of this character during the period in question. They indicate that the proposals were, indeed, well founded.

Yours very truly,

E. W. Beatty.

We have received from time to time many requests and proposals from the provinces and the municipalities with a view to providing direct relief in as economical a way as possible. Proposals have been made with regard to the carrying on of works in conformity with the expressed views of the provinces. As I indicated last night, the projection of certain works has not met with their approval and, for obvious reasons, we cannot project these works without that approval. However, various works were undertaken in order to see that people should be given such food and shelter as might be necessary during these trying times.

In Prince Edward Island at the instance of the provincial government, this government has contributed fifty per cent of the labour costs in the reconstruction of the Falconwood hospital. The dominion's proportion amounts to $5,328.24 out of a total of $10,656.49.

The provincial government of Nova Scotia pointed out the desirability of returning to their homes in continental Europe some 140 families from the mining section of New Waterford. The federal government contributed forty per cent, or $8,000 of a total cost of $20,000. These miners had come from central Europe at the instance of the coal company.

Mr. SPEAKER: I am bound to call the hon. minister's attention to the fact that he has spoken for forty minutes.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: If the house consents.

Some hon. MEMBERS: Go on.

Mr. POULIOT: Not only that, but the minister has the right to defend his department.

Mr. GORDON: I am just praising it.

These miners were thrown out of work, I am told, as a result of the last report of Sir Andrew Duncan which recommended the closing down of certain collieries in that locality.

The dominion is also contributing forty per cent of the cost of certain provincial highway construction. Our share will be $32,000 out of a total expenditure of $80,000.

The dominion is also contributing fifty per cent of the cost of certain construction on the trans-Canada highway. Our share will amount to $66,823.96 out of a total expenditure of $133,647.90. On this work the following tabulation shows the number of men engaged, the number of days worked and the wages paid from May to September:

| Month | Number of men working | Number of days worked | Wages paid |
|---|---|---|---|
| May | 900 | 17,961 | $57,075 |
| June | 1,090 | 22,796 | 61,695 |
| July | 765 | 12,603 | 36,869 |
| August | 724 | 14,208 | 42,233 |
| September | 855 | 11,208 | 31,729 |

As regards Ontario, the dominion, under an arrangement with that province, is contributing one-third to the cost of the projection of the road through the locality in the neighbourhood of Dysart, the province and the municipality putting up $50,000 as against $25,000 by the dominion. In Swazey township in New Ontario, not in my riding, the dominion is assuming one-half of the cost of a road into a new mining locality. The dominion is also assisting in Ontario to the extent of 50 per cent of the board camps to which reference has been made from time to time in the house. In these camps 2,279 men were given employment in May, working 29,254 man-days. In June 3,355 were given employment for 57,066 days and in July 3,794 were employed for 66,536 days. In August 3,604 men worked 61,764 days and during September 3,499 men were employed 68,430 days. The cash allowance paid to the workers and the wages paid to the key men for May, June, July, August and September amounted to $329,758.78.

In the four western provinces the provincial governments were confronted with a situation with respect to that class called transients. Dealing with transients is a difficult problem. The very word "transient" would indicate some of the difficulties. Time after time news would come by telegraph to Ottawa that so many men had congregated in some of the western villages. Although immediate steps were taken to see that the men got food, lack of which was complained of, oftentimes within twenty-four hours arrangements were made to see that they were given food, but when it arrived, those men had drifted on another hundred miles. Time after time the provinces and the Dominion government were in a position where they could not move as fast as the transients. The situation became

ridiculous. These men of course have been described as hungry, lonesome men, but the facility with which they would move about the country was a puzzling problem to both the provinces and ourselves.

Mr. JACOBS: Perhaps they were not satisfied with the food provided.

Mr. GORDON: We were not fast enough to catch up with some of them to give them the food. At any rate, this resulted in the provinces and any other agencies available taking steps to see that riding illegally on trains should cease and that these men should be identified and placed under some sort of discipline, or control, or whatever you like to call it, in order that we might at least identify the problem with which we had to deal. The Dominion government, recognizing that the western provinces had been the magnet to attract single men from other provinces and also the depository for immigrants from Europe, realized that there was something more than an ordinary responsibility to this type and class. The provincial governments in the west found their finances strained and the federal government took appropriate action to standardize the relief given to those men. In each of the western provinces independent committees have been set up in order to deal with this situation and possibly to deal with relief generally. Those committees are now functioning; the transients are being registered; they are being cared for in camps and being given some useful work to do. There are certain places, but not many, where those people object to going to camps and some of them, going to the camps, say that they will not stand for this sort of treatment. Fortunately, however, that kind of objection does not obtain in the great majority of places. So far as our information goes, generally speaking, the matter of taking care of those men and providing them with work where work is available is proceeding satisfactorily. That applies to transient, single, homeless men.

In Manitoba, the dominion is contributing 50 per cent to the cost of road grading on the provincial roads to Clear lake the federal contribution being $3,500. The dominion is also contributing $7,200 towards the cost of construction of dykes on the Assiniboine river. Also, the Department of the Interior of the federal government has taken and is taking steps to absorb many men in useful work in the national parks. This information, while not in great detail, will be amplified in the report which will subsequently be filed pursuant to the provisions of the statute.

[Mr. Gordon.]

In Saskatchewan, as in Manitoba subsistence camps and the farm placement scheme, which was in operation last year, have been continued this year, the dominion contributing to the cost.

In Alberta, the same provision, with slight variations, is made, the dominion contributing to the cost in each instance.

In British Columbia, the same policy is being pursued with respect to single, homeless men and also the contributions are being made, as in the other provinces, towards general relief of those in need.

As regards the number who are receiving direct relief, I think I should refer to this matter now because some days ago I made a short reference to it when, in answer to a question, I said that in the month of August there were some 840,000 men, women and children in Canada being given relief, not continuously, but for varying periods. This statement was unfortunately misconstrued by some hon. members and by a section of the press. Therefore, in order that it may be made clear to the house, more detailed information should be given. In the month of August, 1932, the number of men, women and children receiving relief was 841,931. Of that number 162,135 heads of families were receiving direct relief. It will be seen therefore that those who sought to interpret or fell unconsciously into the error of construing that statement to mean that there were 841,000 heads of families on relief were quite wrong. In the month of September last the number of those on relief had fallen to 802,592. That is, the figure dropped in the month of September, 40,000 below the August figure. The number of heads of families receiving direct relief during the month of September, also fell to 158,171. Those figures if compared with the returns as to employment will in the main agree, the employment figures having steadily improved during the past three months. We expected that the unemployment situation would become more severe on the opening of winter, but it does not seem to have so developed. There may be and likely are places in Canada where it has so developed, but generally speaking that is not the case so far as the records disclose.

I shall not take up more of the time of the house except to say this: When we speak of our country and of its illimitable resources, and I think I have heard that phrase often before, we must bear in mind that we have a small population, but that we have immense resources, immense territories owned by the crown and, fortunately, all not alienated to those who might improperly exploit them. If

the citizens of Canada would realize the opportunities that there are in their own country, and instead of hiving in the industrial centres would get a comprehension of the empire that they have in trust, then even though there is a dislocation of industry and trade in the world today I think there would be very little suffering or deprivation amongst the people of this country.

I would offer this observation in closing my remarks. The individual has a responsibility. The individual cannot continue to lean upon his fellow-man forever, and forever turn to the state to correct every misadventure which may befall him. The individual should develop a little more courage. I know that I shall be criticized for saying this, but I shall continue to repeat that this country and the world have passed through periods of stress probably not as general as now prevails throughout the world, but just as distressing, and perhaps this depression, if we can call it such, will at least bring out in bold relief to the individual the absolute necessity for his developing a little courage, and with the development of courage and initiative on the part of the individual to take advantage of this great empire that Canada presents it will not be so hard for each individual to get the share of the resources to which he is entitled.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I was very glad indeed to hear the Prime Minister yesterday make the statement that he intended to call a Dominion-provincial conference for the purpose of considering an unemployment insurance scheme. I am certain that if a determined effort is made at that conference a working plan can be developed in this country in time to present it to parliament when we reassemble after the New Year.

I am also very glad the work that was accomplished in this regard by the late government has not been in vain. It is well known that during the life of the late government we referred this question to the committee on industrial relations headed by my hon. friend from North Battleford (Mr. McIntosh). That committee after a great deal of work brought in recommendations to the house which were accepted by the government and parliament and as Minister of Labour I had the honour to canvass the provinces with regard to an unemployment insurance scheme, and the files of the department will disclose that several of the provinces are on record as being willing to put into operation an unemployment insurance scheme.

I desire also to thank the members of the Labour group for bringing this question of unemployment before the house. At this time I consider it is one of the most, if not the most important problem that faces this country today, and indeed will face in the future, and therefore I do not think the Minister of Labour (Mr. Gordon) last night should have gone out of his way in an effort to belittle the leader of the group that brought this question before the house. The hon. Minister of Labour last night, referring to the hon. member for Winnipeg North Centre (Mr Woodsworth) said:

> A review of the pages of Hansard, however, from the first year the hon. gentleman graced this chamber, will show that in every pronouncement he has made, the phraseology is nearly always the same, he voices almost the same fears, the same suspicions, the same lack of confidence in any other human being in the world but himself, and always with patient regularity he sets up something that never resolves itself into fact.

I know that the hon. member for Winnipeg North Centre has voiced the fear of unemployment ever since he came into this chamber, as well as before that, and surely unemployment itself has developed into a fact. I do not think the Minister of Labour should have gone out of his way to use that language to the hon. member.

The Minister of Labour in his remarks did not hold out very much hope for improvement in the system under which we are now working. He did not hold out any such hope as the Conservative party did in 1930, of a job for every man willing and able to work, because he said:

> It is quite true that I should like to see, as every member in this chamber would like to see, men in all walks of life guaranteed happy, productive employment. That never has been the case if I read history correctly, and I doubt if it will ever come to pass; there is always a percentage that cannot realize that sort of thing.

Those were the words of the Minister of Labour last night. Where in that statement is the hope of getting every man a job who is willing to work? I can well understand that the Minister of Labour (Mr. Gordon) would not understand the phraseology of the hon. member for Winnipeg North Centre. Had he understood it he would realize that, with a proper system of distribution, the poor we would not always have with us, to adopt the expression of the Prime Minister. It may be that the Minister of Labour did not understand the words of the member for Winnipeg North Centre, but in 1930, the Conservative party as a whole understood his phraseology. I recall, as emanating from that

group, a certain motion, and I recall further that every Conservative who spoke congratulated the Labour group upon bringing the matter before the house and, when the time came, voted in favour of the motion because it embarrassed the government of the day.

For the information of hon. members I should like to state that during the election campaign of 1930, a circular was distributed showing that members of the Labour group had introduced a motion concerning unemployment, and that while on the one hand every Conservative member had voted for it, every Liberal member had voted against it. On that occasion the government of the day did not appeal to the Speaker to have the motion ruled out of order, although they might have done so on the same grounds taken the other day. It may be that on this occasion the Minister of Labour does not understand the psychology of the hon. member for Winnipeg North Centre. Instead of trying to belittle the efforts of the western member the minister ought to try to keep in touch with the Labour group so that he might understand their points of view. Notwithstanding anything the Minister of Labour said last night with respect to the Labour group, I am convinced that they are a great acquisition to this House of Commons and that they do very useful work. When acting as Minister of Labour I was very glad on all occasions to welcome any suggestions they had to make.

Probably the minister did not understand the remarks of the hon. member for Winnipeg North Centre, but I wonder if he would understand this expression of opinion from the Alberta conference of the United Church of Canada:

> The present system has now been under trial for a sufficient period to lend itself to fair criticism, and the present unhappy condition of over production, under consumption, is its condemnation.

That is what the hon. member for Winnipeg North Centre has been saying for many years but the Minister of Labour cannot understand it. So I say the thanks of the house are due to the hon. members who have brought this discussion to the front. Last night the Minister of Labour, or the Minister of Immigration—I do not know for which office he was speaking—sought to blame the condition of unemployment upon the immigration policy of the late government. I wonder if he realizes that for years past practically all Conservatives urged upon the Liberal government the necessity for a greater influx of immigrants to Canada.

[Mr. Heenan.]

The Hon. G. Howard Ferguson, the late Premier of Ontario, went to Europe in 1928—I met him there myself—on which occasion he was seeking to bring immigrants to that province. In that year the province spent $171,129 in their efforts to bring in more immigrants. Speaking before the Toronto Transportation Club on his return to Canada Mr. Ferguson had this to say:

> We cannot hope to populate this country with British people alone; there are large areas in the continent from which we could draw the most desirable people.

Then, we remember the efforts of General McRae, the former representative of Vancouver North, who with the applause of all Conservatives urged upon the government of the day the adoption of a plan to bring in 300,000 people per year at a yearly cost of $30,000,000. What would have happened to this country had the Liberals adopted the Conservative proposals of that day?

I could point to the words of many hon. members now sitting on the government benches, but at this time I shall quote the words of only one of them. The following are the words of the present Prime Minister, as they appear in Hansard of February 11, 1929:

> It will be found that the increase in population in this country, brought about through bringing additional people in, will not only lessen unemployment for those who are now in it, but will increase employment.

Mr. MACKENZIE (Vancouver): That is the Tory policy.

Mr. HEENAN: Now the Minister of Labour and Immigration takes the opposite view. I suppose we must call that cabinet solidarity. Then we have the statement of the present Mayor of Winnipeg, that unemployment was brought about by immigration in 1930. The Winnipeg Free Press carries the following report of his words:

> The best thing for this country would be the arrival of 1,000,000 Britishers, declared Mayor Webb.

He was asking for 1,000,000 Britishers at a time when there was an unemployment problem. Yet he was out in the country speaking against Liberal candidates because they had allowed in too many immigrants. The propaganda of Conservatives in Canada added to the propaganda of the Conservative press has been responsible more than any other agency of which I know, for bringing in immigrants.

Concluding his remarks the Minister of Labour threw aside altogether the old slogan

that the present government would get every man a job who was able and willing to work. Now he announces the gospel of every man for himself. In his view every man should step out with a proper spirit and outlook on life. If there are any men who have not such spirit but are actuated by a feeling directly the opposite, I contend it is because of the actions of the present Prime Minister of Canada and his colleagues when, in 1930, they went through Canada deploring the conditions and telling the people with crocodile tears in their eyes, that when they were put into office they would see that every man able to work would have it. The people took them at their word. For once in their lives the Canadian people believed the Conservative party and the present Prime Minister. Today, quite properly, they are looking to the man who promised a cure for unemployment. We are told by the Minister of Labour that unemployment is on the wane, that he would instil into the minds of Canadian people a spirit of "every man for himself", a better Canadian spirit, and so on, and so on. When the policies of the present government have failed, when those policies have accentuated unemployment difficulties, it is only natural that the people of Canada should look for assistance to that right hon. gentleman and his government. They look to the right hon. gentleman who promised to deal with unemployment from a national standpoint. He said, "It is too great for the municipalities and the provinces; if we are elected to power we will take over unemployment relief on a national basis." There was no constitution standing in the way on that occasion; it was swept aside in connection with old age pensions, unemployment relief and so on. There was no question about the municipalities; it had become far too great for any municipality or province to contend with. "Elect us," he said, "and we will take it over as a national obligation, constitution or not." I am afraid, however, that the Prime Minister has not the same constitution now that he had in 1930, when he was making these promises. Not only did he promise these things during the campaign; he repeated those promises in this house. After the leader of the opposition had catalogued some of the promises that had been made and stated that the people would expect their fulfilment, the Prime Minister stood in his place and uttered these words, which will be found at page 39 of Hansard of the special session of 1930:

I do not propose for a single moment to traverse in this house the matters which were gone into on the hustings. I shall content myself with saying to the right hon. leader of the oppostion and his friends that we will keep the promises we made.

There was great applause then from the government side of the house. Having made those promises to the electors and repeated them on the floor of the house, what has been the government's program for the cure of unemployment? We have waited patiently for two and a half years, but everyone knows that unemployment has steadily increased. There is no excuse for unemployment in this country at the present time. Let me quote the words of the present Prime Minister at Victoria on June 16, 1930, when he said:

Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

If those words were true then, Mr. Speaker, is there any excuse for times having become worse after the Conservative party took office? There were 170,000 people unemployed at that time, taking the figures of the Conservatives, while there are about 750,000 people unemployed today. So I ask if this government is discharging its duties as it should. What has been done with regard to the coal mining districts of Nova Scotia, for example? The Prime Minister and some of his colleagues made speeches in that area; at Halifax, as reported in the Halifax Herald of July 4, he said:

I will not sacrifice the coal industry of this province or the steel industry of this province to any other country in the world. We will not tolerate this importation of Soviet coal when we take office.

He went on to say at St. Thomas, on July 21:

It was unfair to have Russian coal enter the Dominion to replace a Canadian product produced at such a low living standard under Soviet rule.

Commenting on that speech, the Sydney Post had this to say:

The importation of Soviet coal, mined under cheap wages and living conditions, works an injury to Canadian miners. It causes unemployment, it leaves the children hungry, mothers exhausted and the father willing and anxious to get work but unable to obtain it.

Those last few words are in box car letters. What has become of those promises to the miners of Cape Breton? I know what has happened. At the time those words were uttered the mines of Nova Scotia were producing seven million tons of coal, while in the first full year of the Conservative regime their production dropped to four million tons, and the wages of the miners were reduced.

Now what have we? We have the conditions pictured by the hon. member for Winnipeg North Centre (Mr. Woodsworth) last night, and I have before me a copy of a resolution which was sent to the Prime Minister also. It states in effect that there is nothing but hunger, despair and suffering in the coal mining areas of Nova Scotia. It mentions the relief of thirteen cents per head per day, and points out rightly that it takes from 40 cents to 90 cents a head to keep murderers and convicted criminals in our penitentiaries. Yet these decent men, who were deceived in 1930, are expected to live on 13 cents per day. I wonder what the miners of Nova Scotia will think when they read the confession of deception made by the Minister of Labour the other night. I have read what was said during the campaign. At page 1084 of Hansard for this session the Minister of Labour (Mr. Gordon) made the following statement:

> This Russian coal was meeting competition only from American anthracite, a coal which we do not produce.

Later on in the debate the hon. member for Antigonish-Guysborough (Mr. Duff) said:

> The minister knows the Russian coal was anthracite and the Nova Scotia coal is bituminous, and that the Russian coal would not come into competition with the Nova Scotia coal.

To which the Minister of Labour replied:

> Everybody knows that.

Did you ever hear such a confession of betrayal and deception on the part of any member of a government? Then we have the Kenora Miner and News, which reprinted a report from the Regina Herald in which it was pointed out that another carload of English soft coal was landed in the Annapolis valley at a time when employment was so badly needed in the province of Nova Scotia. What do the trade returns show? They indicate that last year, while the miners of Nova Scotia were suffering, there were 12,999,942 tons of bituminous coal imported into Canada. That is how this government is carrying out its promise to the miners of Nova Scotia.

What benefit has been derived by the lumbering business or the pulp and paper industry under this government? The Prime Minister complained, during the election campaign, with regard to the exportation of pulpwood from this country; he said it was working a detriment to Canada. The provincial Minister of Lands and Forests made the same complaint, as did also my good friend from East Algoma (Mr. Nicholson). The Toronto Globe of May 29, 1930, has this to say:

> After his nomination Mr. Nicholson spoke briefly and declared there would have been no occasion for the mill to close down if the Canadian government had prohibited the export of pulpwood from deeded lands, as United States consumers would then be compelled to increase their purchases of newsprint from Canada in place of using Canadian pulpwood in their own mills.

The report goes on to say that this view was supported by Hon. William Finlayson, Minister of Lands and Forests of Ontario. At that time, Mr. Speaker, the mill of which they were speaking at Espanola was closed down, and they sought to establish the fact that the mill was closed because the Liberal government was not doing its duty in connection with that industry. What are the conditions today in northern Ontario? This government has had an opportunity of doing something for that industry, but what do we find? Pulp and paper mills are closed down practically all through the north, or are working part time, and that with a general reduction in the rate of wages of those men who are employed. The pulpwood cutters are unable to sell their wood either at home or abroad, and in the lumbering business in northern Ontario, I told the other day just what the conditions of those employed are. I do not think it would be amiss to repeat the facts now. I had a statement with regard to four young men who were induced to go from Winnipeg to work in the lumber industry at the head of the lakes. They worked twenty-three days, including Sundays, working eighteen hours a day, and at the end of that time their wages, on the basis of $26 a month, amounted to $18.55. After deducting railway fare of $9.55, doctors' fees, and a few other little supplies, they had $1 handed to them for their twenty-three days' work. The result was that they were $8.55 short of their train fare back to Winnipeg, and then this government put out an order to have men arrested if they attempted to steal a ride on railway trains.

What about the railway problem? Our railways are a good barometer of conditions in the country. We find that the railwaymen were promised better times and full dinner pails, but what are the facts? According to a return tabled the other day by the government there were employed on the Canadian railways in 1928, 187,710 employees; in 1929, 187,846; in 1930, 174,486; and in 1931, 154,569. In other words, there was a reduction as between the last full year of the Liberal regime and the first full year of the Conservative administration of 33,277, and a general reduction in the basic rate of wages paid. How do wages compare under the Liberal regime and under my hon. friends opposite? In 1929

there was paid for railway operations and small construction work $391,790,157, and in 1931, $229,499,505, or a reduction between 1929 and 1931 of $162,300,652. That is the full dinner pail which the railwayman has received from this government. What encouragement is there for the railwaymen of Canada? We have had a royal commission and apparently it dealt with the question of wages and with railwaymen's affairs, but not one single Canadian railwayman was on that body. Instead there was a Mr. Loree, president of a railway in the United States with the worst working conditions in that country. In the view of the government he was good enough to be on the board. We have the report of that commission, and legislation has been introduced in the other house based upon that report. What does it recommend? The abandonment of branch lines, the abandonment of portions of main lines, merging of services, cooperation instead of competition. Where, oh where now is that slogan, Amalgamation never; competition ever? What has become of it? If this is put into operation as outlined by the report, it will throw thousands upon thousands of railroad men upon the streets, unemployed. The Conservative party in 1930 received a good many railwaymen's votes, I am sorry to say, on the strength of promises to do certain things, amongst those promises being the promise not only to aid existing traffic channels but to build extensions. That was the promise that was held out to the railwaymen of the country—to build extensions to the railways—and many good railwaymen voted for the Conservative party because they believed that the promises which the party made to them were sacred. But now for the rude awakening. The men have awakened to find that there is less work and lower wages and in many instances loss of homes with all their life savings gone. I repeat, where, oh where is that slogan, Amalgamation never; competition ever? Now that the Prime Minister's policies have failed, now that he has fallen down on his promises, he wants to be absolved of them all. He says, in effect, "Who could foresee at the time we were making these promises that there would be a world depression?" Well, the Liberal leader and all the Liberal candidates said that there was a world depression—

Mr. CHAPLIN: You said there was no depression at all.

Mr. HEENAN: —but the present Prime Minister could not foresee it. I read the other day an article giving an account of a meeting which he addressed at Kitchener. He asked, "Why have we unemployment in this country?" A man in the audience rose and said, "We have it all over the world," and people in the audience cried, "Put the calf outside." There was a calf who wanted to tell the Prime Minister what the economic conditions in the world were, but they would not listen to that calf. I wonder if the right hon. gentleman would heed the words of the hon. member for West York (Mr. Lawson), uttered in this house last night:

> So far as we are concerned, we recognized in 1930 and we recognize today that the conditions with which we were confronted were largely world conditions.

There is one of his own followers able to tell him. But we had Mr. Ferguson too. That gentleman went through northern Ontario declaring that the condition was worldwide, and he asked, "Why does the government sit around helpless and not bring about better conditions in Canada? Never mind conditions in the rest of the world. Canada is our job, and Canada should be Mr. King's job." He said that the then Prime Minister ought to bring about better conditions in this country, and he promised something else—because he was not going to take second place to the right hon. gentleman opposite. Let me read what he said:

> "Is there any one who will say there is not a general depression that is retarding the growth and advancement of Canada," he said. . . . "I am looking forward to a remarkable change in the next few months," continued the Ontario premier. "I am looking forward to the speeding up of the wheels of industry, to increased payrolls and greater prosperity for the people of Canada. I expect these things because I feel sure, just as sure as I am standing on this platform tonight, that on July 28 the people of Canada will rise in their might and say to Mr. King: "You have had 10 years in office and conditions are getting steadily worse. We are going to try another fellow in your place!"

We have the other fellow in my right hon. leader's place now. He has been tried and found guilty of deception, and trying to pull the wool over the eyes of the electors of this country; and his Minister of Labour now stands up in his place and says "every man for himself." We need a greater outlook on life, a greater individuality. The Prime Minister has said; Come unto me, all ye that are weary and are heavy hearted, and I will give you rest.

Some hon. MEMBERS: Work.

Mr. HEENAN: Yes—I will give you work. What did the Prime Minister's lieutenant the Premier of Ontario say? He is reported in the Kenora Miner and News as having

received tremendous applause at Kenora when he stated that he believed in high wages. Those who applauded him have seen the day when they had to accept a reduction in their pay cheques; they have seen the day when the province has carried on work in northern Ontario and paid the slave wages of only $5 per month and board. That statement by Premier Ferguson was another effort to deceive the people. He is reported in the Toronto Telegram of July 21, 1930, as having said at Kenora.

> With the election of a Bennett government we will have legislation to improve conditions and start turning the wheels of factories. Industry will resume and the farmers will get some profit for their labour. Jobs will increase. The home will be happy, the housewife will smile every day.

Was it any wonder that the housewives who listened to him laughed outright? But they have shed many bitter tears since that time. Although they paid no heed to Mr. Ferguson, there were too many people in this country who believed the Conservative candidates and were satisfied to elect a Conservative government.

Mr. MACKENZIE (Vancouver): Never again.

Mr. HEENAN: The present Minister of Labour of the Ontario government, a great campaigner who in 1930 had the cure-all for unemployment had the following to say at the directors' luncheon of the Canadian National exhibition on Labour Day, 1931:

> We always have had periods of retrenchment and expansion, and we always will have them.

He is practically saying what the Prime Minister said the other day—the poor we will always have with us. He continues:

> These things move in cycles. I do not know any cure for the depression and I don't think anybody else does.

Doctor Monteith did not see any way out of the depression except to depend upon the old law of supply and demand. I do not think he ever heard of the Versailles treaty, signed by Sir Robert Borden.

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

Mr. HEENAN: May I have just a few more minutes?

Mr. DEPUTY SPEAKER: I am not the master of the rules. The hon. member may continue if the house consents.

Some hon. MEMBERS: Go ahead.

An hon. MEMBER: Give him an hour.

[Mr. Heenan.]

Mr. HEENAN: An hour would not be sufficient for me to tell my hon. friends what I think of them.

Article 13 of the treaty provides that henceforth labour shall not be considered as a commodity.

An hon. MEMBER: Hear, hear.

Mr. HEENAN: I understand the hon. member is a good physician in private life and I suggest that he prescribe something for the government. They need to be cleaned out instead of being fed on soothing syrups. Sir Robert Borden signed this treaty, but the government's position is that in view of the great number of unemployed in Canada, the wages of workmen should be reduced and living conditions should be lowered. It is quite evident that Doctor Monteith does not speak the same language today as he did in 1930. Is it any wonder that the reports state that the labourmen present disagreed with his remarks?

We have been through very stringent times during these last few years. I know what the government is up against; I am sorry for them, but they took the job into their own hands. The Prime Minister of this country stated at Toronto in effect that if anyone advocates radical measures, the iron heel of ruthlessness will be used. When the Prime Minister of Canada uses language such as that, surely there is an excuse for the miners in Cape Breton sending him a resolution ending with these words: If you do not do something for us hurriedly, we will take the law into our own hands. It should not be expected that men who are endowed with the spirit of freedom will sit idly by and listen to the Prime Minister or anyone else in authority make statements advocating the use of the iron heel of ruthlessness.

Mr. CHAPLIN: Did not the hon. member's government send soldiers down to Nova Scotia under similar circumstances?

Mr. HEENAN: My hon. friend knows that at the time to which he refers the provincial government requested that the soldiers be sent.

Mr. CHAPLIN: The hon. member is trying to get behind something.

Mr. HEENAN: If we are going to discuss such matters I might mention that it was not a Liberal government which ordered the soldiers out to Winnipeg in 1919, to shoot down the strikers, nor was it a Liberal government which ordered the soldiers last year to shoot down the strikers in Estevan who had a legitimate grievance.

Mr. POULIOT: The soldiers did not shoot anyone because they had a good chaplain.

Mr. HEENAN: The present Prime Minister has brought this thing upon himself. In 1930, even before the elections, what did he say? He went to Regina and, put into the minds of the labouring people of this country the thought of revolt. He is reported as follows:

While Mr. Heenan was denying the existence of a serious unemployment problem—

That is not true. The report continues:

—a soup kitchen had been opened in Montreal. He was reminded of the revolution of 1845 in France on the right to work.

What right has any man aspiring to be the Prime Minister of this country, to utter words such as that and now to advocate the iron heel of ruthlessness to be used upon any man who clamours for the right to work?

I should have liked to go on, but I am afraid of myself. However, I will conclude by saying that the government which is now advocating the iron heel will get the whole foot when they go to the country. I know that instead of the iron heel they will get the leather toe.

Hon. T. G. MURPHY (Minister of the Interior): Mr. Speaker, speaking yesterday to this question the hon. member for Winnipeg North Centre (Mr. Woodsworth) quoted a a letter, the authorship of which was not divulged. This letter purported to give a description of the conditions which prevail in the relief camp in Riding Mountain park in Manitoba. I do not intend to repeat the whole letter, but I should like to quote two sentences. The first is:

I have been asked by a committee of men, who are working at Riding Mountain park to bring to your attention the utterly disgraceful situation which exists there.

The second sentence reads as follows:

I asked several old-timers their opinion of it and they state in fact that it is without any question the worst camp they have ever seen on the American continent. The toilet is thoroughly filthy, unsanitary, and far too small.

Then, taking as the gospel truth this letter, the authorship of which is not given, the hon. member makes a definite statement so to speak. He says:

The question may be asked: Why do men suffer such indignities, and four reasons are given in the letter, as follows:

1. Fourteen miles from the nearest railway.
2. Stool pigeons who report the least attempt at organization.
3. Intermittent surveillance by mounted police.
4. General breaking down of morale.



The camps which are in existence in Riding Mountain national park this year are similar to those which were in existence during the season of 1931-32. While those camps were in operation, three daily newspapers in the province, namely the Winnipeg Free Press, the Winnipeg Tribune and the Brandon Sun, sent their correspondents to Riding Mountain park and made their own investigations and reports. No doubt those reports were and are known to the hon. member for Winnipeg North Centre. In case he does not know them, may I respectfully draw them to his attention, namely, the issue of the Tribune of January 5, 1932, the issue of the Free Press of February 6, 1932, and may I read one paragraph from the latter issue:

As regards actual living conditions, they have been fairly accurately put before the public. The work is healthy and not too arduous. The attitude of the foremen to the men has been decent and sympathetic to a degree. The food is plentiful, and is becoming much better as the cooks adjust themselves to new and sometimes trying conditions. Sanitary conditions, though not all that could be desired, are gradually being improved upon.

That is a description when the camps were being formed, and conditions have improved. May I also read from the Brandon Sun under date of January 5, 1932? The paragraph is headed:

Superintendent's Fine Work

But so able has been the supervision given by Mr. Smart, who incidentally is an old Brandon boy, and a son of James A. Smart, twice mayor of this city in the early days, that the huge camp has functioned almost without a single hitch anywhere. Lumber was readily available, and the huts were soon up. The stores followed, and the provisions were soon on their way. Almost as soon as the city of Winnipeg was ready to send its first batch of men to this big camp, everything was in readiness.

I read that for the purpose of paying a deserved tribute to the superintendent of that park and those who were associated with him in its administration. During the course of last year's operations one man who sent a letter to the press, signing his name K. McDonald, complaining of conditions there, was answered by one of the men in the camp. This will be found in the columns of the Winnipeg Free Press under date of January 2, 1932. Let me read this paragraph from his letter:

As regards Mr. K. McDonald's complaints, I would like to refer to the recreation hall he so slightingly refers to in his letter, and leave it to your readers to judge for themselves. This hall is a splendid idea, which has now developed almost every kind of amusement and entertainment necessary for the boys to pass the long winter evenings, and it is certainly

being taken advantage of by the men in all the camps in the vicinity. I might mention that those in authority have had recently installed a small plant sufficient to supply the electric light for that place. The hall provides all the reading and music they want, and as for sports, they have playing cards, checkers, indoor tennis, basketball, volleyball, football, hockey, all supplied free.

They get all the writing materials they require, also the use of a camp barber, and efforts are still being made to further assist them. This recreation hall was placed at the main camp for the reason it was the most central to the other larger camps, and there is never a night that there are not plenty of men from the other camps, and all having a very enjoyable time.

May I also read an article which appears in the Winnipeg Tribune under date of November 17, 1932, headed:

Men of Riding Mountain camps hold sing-songs.

Community singing will soon enliven the nights of workers in the government camps for the unemployed in Riding Mountain national park. At the request of a number of men at Camp 6, the Tribune today dispatches several hundred song sheets such as were used at the "nights of community song" last summer for use during the long winter nights.

The men of Camp 6 had written: "Will you kindly forward some of your song sheets as we would like something to sing at our concerts in the winter nights. We are having a real good time with plenty of good food and everything is good and clean."

May I commend that to the attention of the hon. member for Winnipeg North Centre. That was written, unsolicited, by men who are now at work in the park. May I say in addition that I visited those very camps myself last year. I visited not one, but every camp situated in the Riding Mountain park area. I took particular pains to inspect their sleeping quarters. I visited the storehouses where the food was kept and found it was kept in splendid condition. I visited the places where the meat was cut and dressed, the dining halls where the men were fed and the recreation halls where they were entertained at night. I had meals with the men; I sat down at the tables with them, and the food was excellent. The dishes, tables and utensils were spotlessly clean and everything was in the best of order. In the course of my life I have lived in soldiers' camps; I have been in lumber and many other camps and this scurrilous letter—I can call it nothing else—is absolutely false when it states that conditions in that camp are the worst on the North American continent.

In addition to that, during the course of my visit I talked to the men who were employed there. Not a single complaint was voiced to me during my visit, and further, to prove that those camps are handled in an efficient, clean and sanitary manner, may I say the key men, known as foremen, sub-foremen, timekeepers, etcetera, are drawn from the homes of people living in the vicinity of the park, men who come from as good homes as there are in the province of Manitoba. Those people eat and have their being in exactly the same manner as do the ordinary working men. It is not difficult to obtain any numbers of those men; I could secure hundreds, yes, thousands, of men in Manitoba to live under those conditions as they exist in Riding Mountain park today. The trouble is not that we cannot get men to go there; it is that we are unable to provide work for all who want to go. This morning I took occasion to telephone to the superintendent of the Riding Mountain national park asking him if any complaints had been made to him or brought to his attention, and he told me that he knew of none; that no complaints had been made to him by the men themselves, nor from any other source whatever.

To sum up, may I say that the administration of that camp this year is exactly the same as it was last year, which administration was commented upon favourably by the three dailies of the province of Manitoba; that a fully qualified medical man is this year in attendance all the time the same as he was last year, his duty being to look after not only the health and well-being of the men but also the sanitary arrangements of the camp.

May I say further that the men who were at work in that camp last winter left it in better physical condition than when they entered. The great majority of them had put on weight, a fact that can be very easily verified from the men themselves. There was very little sickness and certainly no epidemic.

Now what is said on the other side, Mr. Speaker? We have merely a letter, the authorship of which is not given, written by a man who does not even pretend to give first-hand information or to write from his own knowledge, but says that he is writing from information supplied to him by some unnamed and unknown committee. Then we have an hon. member of this house quoting from such misinformation and untrue statements, taking them for gospel truth and basing an argument upon them. Certainly that hon. member can find no fault if the cause which he advocates is not advanced by such tactics.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, as I rise to discuss this important national problem and cast my eyes across the chamber I am amazed at the lack of interest taken in this question by that great national party whose leader said in 1930 that he would either cure unemployment or perish in the attempt.

Mr. MACDOUGALL: What about the co-operative movement?

Mr. MITCHELL: Keep the baby quiet. If you cannot make an intelligent interruption, don't interrupt at all.

In my judgment, Mr. Speaker, this is the most important problem that has come before this house since its opening on October 6. All the legislation that we have hitherto discussed and the many agreements which have been ratified pale into insignificance in comparison with this all-important problem, and I am amazed, Mr. Speaker, to see so many representatives of industrial ridings absent from this House of Commons during this debate.

Mr. COTNAM: How about your own group?

Mr. MITCHELL: Seventy-five per cent of them are here.

Mr. COTNAM: That makes three.

Mr. MITCHELL: What about your own group? I would say to the hon. gentleman that there is one thing which the working people of this country have to be thankful for, and that is that this question might never have been raised except for that small group to which he refers.

I was much interested in the attitude taken by the Prime Minister (Mr. Bennett), by the Minister of Labour (Mr. Gordon), and the leader of the opposition (Mr. Mackenzie King) on this question, but the discussion in my judgment drifted entirely away from the purport of the resolution introduced by my hon. friend from North Winnipeg. We had a discussion of the responsibilities of the provinces and their relationship to the dominion under the British North America Act. We also had an announcement that there would be a conference of the dominion with the provincial governments for the purpose of exploring the possibility of introducing a system of unemployment insurance. In my opinion, Mr. Speaker, this country has reached such a stage in its development, and there has been such a change in the complexion of its national life, viewed from the standpoint of agriculture and industry, that the British North America Act, is in need of immediate revision. The Prime Minister yesterday quoted a decision from the privy council that unemployment was not a national question, and contended that the present emergency did not come within federal jurisdiction. All I have to say to the Prime Minister is that I should like him to tell the eight hundred thousand people in this country who are drawing relief that the problem of unemloyment is not a national question. I know of no authority better able to give direction in the solution of this very important question.

As the question of unemployment insurance has been broached, I should like to say a few words about it. We have long held the opinion that unemployment insurance is a national responsibility. The house will recall the many difficulties that were raised as to divided responsibility in connection with old age pensions. Those difficulties did not prevent old age pension legislation being enacted by this parliament, and unless unemployment insurance legislation is enacted under the jurisdiction of the federal government in my opinion it would be unworkable. Think of the difficulties otherwise, with men and women passing from one province to another in search of employment. If we are to have a sound system of unemployment insurance it must be under the jurisdiction of the federal government.

I should like to make a few observations on the present slump or depression, as it is often called. I think we are all agreed that it is not like past depressions. Many seem to think that we shall simply glide out of this depression, but I would point out that it has not only brought many concerns and industries into bankruptcy, but also threatens many nations throughout the world. That is where, in my judgment, it differs fundamentally from depressions that we have had in the past, and that is why I think there is more of a political complexion in our attitude in meeting the problem. I have heard many peculiar remarks made across the floor of this house in connection with the problems of agriculture and industry. Not so long ago I remember one hon. member taking credit to the government for the fact that eggs had gone up in price. If he had laid the eggs there might have been some ground for his claim, but I think that we will all agree that the government was not responsible for that; it was the chickens.

Last night we heard another peculiar observation in the course of this debate. The Prime Minister of this country quoted a saying nineteen hundred years old, that the poor are always with us. I do not recollect that observation being made during the election campaign of 1930. I state frankly that I am not one who takes the position that under the present industrial conditions it is necessary for the poor always to be with us. I believe that when the leader of the government, in an effort to justify his position, made that assertion he showed a lack of intelligence and appreciation of the possibilities of the age. I am not unmindful of the efforts made by parliament since the beginning of the depression. I am not unmindful of the further fact that if we are successfully to cope with the depression we must take an entirely different viewpoint concerning our powers and possibilities of action. We must change our views if we are to alleviate conditions which have arisen out of the depression. Direct relief has been tried; the dole has been tried. I should like to say to those people who believe we will glide out of the depression the same way we glided into it, that a depression of equal intensity has existed in Great Britain for the last ten years. There is no reason why, unless we take some conscious action to meet present difficulties, the depression from which we are now suffering, should not last for an equal length of time in Canada. England enjoys the advantage of some very necessary social machinery capable of alleviating the difficulties from which our unemployed men and women are suffering. I believe we must agree that the leaders in business and finance in Canada have turned out to be fair weather sailors. The statement is made in the navy that any man can steer a ship in calm water, but it takes a good sailor to steer one when it is rough. In view of that I believe the leadership in connection with this problem must be taken over by the government. In the past it has been the practice of governments to take credit for good times; in my view they should also take credit for bad. This is not the first government which has slipped into power through promises to solve unemployment problems, but probably they were more definite than others in their declarations. It cannot be said that they have been left holding the bag; they grabbed the bag and apparently are willing to retain it.

In connection with our economic difficulties there are two schools of thought. First, there are those who hold that the problem should be approached from an international standpoint, and there are others who hold that it should be approached from a national standpoint. Today I am not going to discuss the international aspect of the problem. I believe we are in for a prolonged period of intense nationalism. I believe that condition through which we are passing, from the viewpoint of the relationship of one country with another, is going to be of long duration. That condition is the very essence of mass production and the present system under which we live.

With that viewpoint in mind we realize that we have at least some responsibility in approaching economic problems within our own borders. A few evenings ago the Minister of Finance (Mr. Rhodes) expressed the view that we would all be glad if, in the near future, general price levels were doubled. That is admitted by people of all shades of opinion. In some cases the wish is father to the thought, and in others definite suggestions have been made to meet the difficulty. I am frankly disappointed at the position taken by many hon. members concerning currency and what is termed reflation by some and inflation by others. Judging from the experiences in Australia, Great Britain, Sweden and many other countries, I have come to the conclusion that a process of inflation is the most practical way of meeting the problem. I am wondering if those opposed could offer an alternative method which would produce the results achieved in countries which have experimented in this connection. Originally I believed the natural consequence of currency inflation was a lowering of the standards of living. That however, for some unexplained reason, has not proved to be the fact. In Australia there has been an inflation of currency and, at the same time, a reduction in living costs. In Great Britain there is an inflation of practically 25 per cent, and a reduction in the cost of living. I could go on and on and tell similar results in other countries. For the present however I shall say nothing further concerning this matter.

Now I shall direct my remarks to the position in which industrial workers find themselves. Industrial workers of Canada are in a position similar to that of the workers in nearly every other country. There is this exception however, namely that the influence of mass production has made itself felt more on the North American continent than in any other part of the world. I believe it is absolutely necessary to get a clear view of any problem in which you are interested and for which you are endeavouring to find a solution. We have what is known as techno-

logical unemployment, which means the displacement of men and women by the machine. Then we have the unemployment brought about by the depression and the stock market crash, which has placed thousands of clerical workers on the labour market. Then we have unemployment brought about by the operation of the stop watch, or what is known as the time study method. Then we have another important factor in connection with unemployment, brought about by the enormous development of the chain store, which has well nigh eliminated the small storekeepers in our larger centres and cut down opportunities for employment to thousands of men engaged in that industry of distribution.

In placing these four facts before the house, Mr. Speaker, I come to the amendment offered by the hon. member for North Winnipeg (Mr. Heaps). Since I have been a member of this House of Commons a number of commissions and committees have been appointed to consider different subjects. We had the radio commission; last year we had the civil service committee, and at present we have a Senate committee considering the question of our railways, which arose out of the appointment of a commission. I see no reason why a royal commission should not be brought into being to deal with what is in my judgment the most important problem in this country today. The amendment of the hon. member for North Winnipeg went right to the heart of the problem. It dealt with the means of eliminating unemployment; the question of jurisdiction as between federal and provincial governments; the increase of real wages and the annual productive capacity and consumption in relation thereto; the reduction of hours of labour; the spread between wages and productive capacity, and technological unemployment. Whatever else may be said of this amendment at least it is an attempt to analyse the cause of the enormous amount of unemployment we have in this country today. I should have liked the government to take the responsibility of carrying out a similar policy, but apparently they do not intend to do so. In this regard it often has been said in this house that this is an international question, and that nothing can be done unless all the nations in the world take similar steps. I refuse to take the position that no move should be made in this matter until India or China reaches the degree of civilization we have in Canada today. Are we to wait until the last nation becomes civilized before attacking the problem in Canada? I think in view of the intense nationalism which exists in the world today, and in view of the magnitude of the problem that confronts us, it is absolutely necessary to take national action, and if business and financial concerns will not do it the government of the country should do it. Business has had ample opportunity; it has received a great deal of assistance from this parliament, and failing action on the part of these institutions I think the government should step in and see that everyone is provided with work. This is what they promised to do in 1930.

Other countries in the world are attempting to meet this problem. At the last meeting of the International Labour Office in Madrid it was pointed out that unemployment is the cause of the depression, not the result. Some European nations are using the facilities of government in an endeavour to at least alleviate the unemployment from which they suffer. We find that in connection with the reduction of hours of labour, no matter what may be said to the contrary, some concrete action has been taken. I have heard it said many times in this house that the problem is one of distribution. I think if we stop talking about the problem and tackle it we might make some progress.

I should like to quote a few examples of the action taken in some European as well as American countries, in connection with this very important problem of mass production. In Austria the minister of social administration has undertaken an inquiry into the question of the reduction of hours. In Belgium a commission of inquiry has been appointed for the same purpose. In Colombia a bill was submitted to the chamber of representatives providing for the seven hour day, and more recently the government stated that it considered it imperative to arrive at a better arrangement of hours of work by means of international agreement, either of a general nature or for particular industries. In Czechoslovakia a bill providing for the forty-four hour week has been drafted by the ministry of social affairs and submitted to the other ministries concerned. The forty-four hour week has been introduced in the offices of the sickness fund under the auspices of the national social service institute. In Danzig the forty-four hour week has been applied to government departments and public services. In Denmark a committee was set up to examine the matter and to report in time for the possible introduction of legislation when parliament met in October. In France a bill has been introduced in the chamber of deputies in favour of the forty hour week. The Minister of Labour, Mr. Dalimier, has stated that he will urge that the question of the forty hour week be placed on the agenda of the next international labour conference. In Germany

a decree of June 30, 1931, authorized the federal government to reduce hours of work to forty in the week in those industries where such a reduction was technically possible. Recently, by circular of June 17, 1932, the Minister of Labour caused committees to be set up in each state to study the question, and the regulation of hours of work by arbitral award is contemplated as a possibility in certain cases. In Italy, as Mr. de Michelis states in his letter,—and I may observe by the way that Mr. de Michelis is the official representative of the Italian government at the International Labour Office—the National Council of Corporations on June 15, 1932, adopted a resolution proposing that the possibility of a compulsory reduction of hours of work to forty per week in all administrations and undertakings should be considered as rapidly as possible with a view to the conclusion of definite agreements of an international character. In Poland a bill enabling the government in times of economic depression to reduce hours of work so as to distribute employment over a larger number of workers was adopted by the Diet and the Senate. Further, a bill has been submitted with a view to limiting hours of work to forty in the week, and the Minister of Labour has drafted a bill to reduce hours of work to forty in the week in the case of certain classes of salaried employees, including bank and insurance clerks. This bill has been submitted to the National Association of Industry, Mining and Commerce. And in the United States there is a very definite move on the part of the Americans, in their practical way, to bring about a further reduction in the hours of labour in the industries of that country. Recently I read that this move had received the endorsation of the United States Chamber of Commerce.

I think it can be conclusively proved that unemployment is no longer an effect of the depression but is a cause of its intensification. We have tried the old ways of meeting the problem. We have cut wages, and right here I would observe that if low wages were the basis of success of any country, then India and China would be the most successful nations in the world today. We have cut down services. At present before the Canadian Senate a committee is sitting on the same subject which has been inquired into by the Duff commission, and should the policies suggested by that commission be carried out it would simply mean the throwing of 20,000 men on the labour market.

Frankly, I think we should attack this problem on the two main fronts. We should attack it, on one front, from the point of view of currency, and on the industrial front from the point of view of mass production. We should be realists in this regard. In my judgment we should take the responsibility that rightfully belongs to us in an effort to carry out not only the declarations made by members of the present government in the last election but the wish, I am sure, of all parties in this house.

Mr. J. H. STITT (Selkirk): It was not my desire, nor is it now, to make any extensive remarks with regard to this problem, but the problem is of such magnitude, there are so many industrial workers in my constituency, there are so many farmers who are really suffering in this depression, that I consider it imperative to make some contribution to this debate.

I wish first, as a Conservative representing a riding which has a large labour complexion, to congratulate the hon. member for North Winnipeg (Mr. Heaps), my neighbour, upon the speech he delivered in this house with reference to this matter. It was a reasonable speech; it was a humane speech and as a Conservative and supporter of the government I think it is only just and proper to say that on many occasions the hon. member for North Winnipeg espouses the same cause and speaks in the same way as I desire to speak, especially when he has humanity for his client, as we have all here this afternoon in this matter.

Mr. NEILL: Hear, hear.

Mr. STITT (Selkirk): There has been a good deal of talk in this house about the promises of the Prime Minister. I believe that this country is absolutely sick and tired of this parade of promises—

Some hon. MEMBERS: Hear, hear.

Mr. STITT (Selkirk): —and I am addressing this remark particularly to the Liberal benches in this house. If you look at the performance of the Prime Minister in this greatest of all world depressions; when you think of the energy he has expended; when you realize the amount of money that has been gathered from the taxpayers of the country at a time when it is hard to pay taxes, I think you will agree, Mr. Speaker, that the Canadian people who are for the most part fairminded, will regard the Prime Minister, in the midst of this world depression, as being in a sense absolved from specific performance if he honestly, courageously and energetically tries to solve this problem as he has tried.

Last evening when the Minister of Labour (Mr. Gordon) was speaking on the question, I made a few calculations in mental arithmetic, and I reached the immense sum of $186,000,000 that had been gathered by this policy from the municipalities and from the provinces, and the money expended by this government towards the relief of the unemployed. I remember also that the Minister of Labour stated that 850,000 souls in this country were at the present time living on direct relief. It was no mean achievement, Mr. Speaker, by the shores of Galilee, when 5,000 people were fed; and it is no mean achievement in this day and under present conditions for 850,000 Canadians to be cared for by the organs of government in this country. There is a tendency on the part of some people to laugh at any scriptural quotation, and the remark was made this very day, that when the Prime Minister observed last evening that, "the poor ye have always with you," he was trying to invoke the aid of scripture to buttress up a weak argument. He was not doing any such thing. He was trying to proclaim an eternal truth which was stated long years ago by one whom most of us call the Master of Life and who had a capacity for understanding truth.

I do not want in any utterance this afternoon to play politics. I do not expect that I shall ever again be a member of this house, but I think that this problem is altogether too serious for any such speech as the ex-Minister of Labour (Mr. Heenan) made this afternoon.

Mr. YOUNG: Or the Minister of Labour, last night.

Mr. STITT (Selkirk): The hon. member will pardon me, but I am speaking of the former Minister of Labour. He made merely a political effort. I feel sure the labouring people of this country will find more in the speech of the hon. member for North Winnipeg (Mr. Heaps) than they will in the speech of the former Minister of Labour.

Mr. SANDERSON: Or in the speech of the Minister of Labour of the present government.

Mr. STITT (Selkirk): There is one idea which I should like to put forth. The Prime Minister of this country exercises perhaps more power than has any other prime minister.

Some hon. MEMBERS: Hear, hear.

Mr. STITT (Selkirk): There is no doubt in your mind, Mr. Speaker, or in mine, that he absolutely dominates this parliament—

Some hon. MEMBERS: Hear, hear.

Mr. STITT (Selkirk): Hon. members say "hear, hear." He dominates this parliament not only by his energy but by his capacity, genius and devotion to the interests of this country.

Mr. SANDERSON: He is the whole government.

Mr. STITT (Selkirk): No hon. member on the other side can stand up and say that the member for Selkirk has been bought and paid for. I took it upon myself last session to stand up in this house and vote against the Prime Minister and the government. I had the satisfaction of speaking to the Prime Minister afterwards and having him say: I believe you did the right thing as far as you were concerned.

Mr. SANDERSON: He was only fooling.

Mr. STITT (Selkirk): I want to give the lie right here and now to the idea that this is a muzzled party, that we are not free. As far as I am concerned, if I should come to the conclusion that it would be in the interests of this country and in the interests of the workers or the unemployed to vote against this government, I would do it tomorrow.

Mr. GOTT: That is more than the hon. member for South Perth (Mr. Sanderson) would do.

Mr. STITT (Selkirk): I should like to refer to another effort made by this government, the measure which parliament was called to discuss this session—I refer to the imperial trade agreements. If the hon. member for Labelle (Mr. Bourassa) were in his place I should like to say to him quietly, humbly and kindly that I am proud to be a Conservative, I am proud to be here in this house and to have registered my vote in favour of imperial consolidation and reconstruction. There are many hon. members on both sides of the house who believe in and who love and reverence the British Empire not because we have, shall I say, prejudices of blood, but because we believe that the word "British" stands for freedom, because we believe that it stands for progress and because we believe that the world can get out of the impasse in which it now finds itself only under the leadership of the British Empire which is presided over by such progressive statesmen as Ramsay MacDonald and Mr. Baldwin.

I believe that these agreements offer the only remaining way in which we may solve our economic difficulties, but I say, fearlessly and unafraid, that the benefits of these treaties will not accrue to the workers and farmers of

this country until the exchange situation has been remedied. I should like to tell the eastern representatives and the people of eastern Canada a little about the situation which exists in the agricultural west. Considerable debate occurred last year with regard to the ten per cent cut in salaries and indemnities, but how would hon. members like to get a seventy-five or eighty per cent cut? The government statistics reveal beyond dispute that the income of the western wheat farmer has been reduced by seventy-five to eighty per cent. If you have an income of $1,200 per year and have that income cut down by seventy-five per cent, you are left with $300. Hon. members can see the problem which is facing western agriculture. They would have some conception of the conditions which exists if they went through the wheat growing areas, if they saw the people working almost without hope of reward, going bankrupt and wearing second hand clothing. This is the time when there should not be a mustering of the forces of party but rather a mustering of the forces of humanity. Whatever portion of this house best serves humanity, serves it honestly, fearlessly and in a humane way, that portion is living up to its duty and ought to be returned.

The suggestion has come from the other side that if we went to the country we would not be returned. It is my belief that the leader of this government and many of its members are more concerned with doing their duty to the people than they are thinking of being returned at the next elections.

Another question which should be grappled with is that concerning currency. We have seen the results of the action taken by the American government in raising its tariff. Hon. members know and must admit in their reasonable and non-political moments that the only avenue by which we could hope to reestablish our trade was through imperial channels. We have sought to open up those channels but money is the blood of trade and with our money being at a premium of twenty-five per cent in terms of British currency, we have a tariff, or a wall if you like, which offers almost an impassable obstruction. I want to say publicly in this house that if this wall is not demolished, we are going to remain as we are now, in the straitjacket of international finance and chained helplessly to the gold standard.

There is one matter which might have been discussed at the imperial conference, the matter of the shortening of the hours of labour. We hope to increase our trade through our imperial connections but we ought to realize that the forces of production have been increasing and were increasing before the war to such an extent that even the international trade of England was being decreased. If we realize the power of the human race at the present time to manufacture goods and to grow crops we must realize that this problem of the lessening of the hours of labour must be faced. I believe that we should face it and a beginning can be made by the British Empire.

My main reason in speaking this afternoon was to deal with what might be called the adequacy of relief. I do not believe that any reasonable Canadian expects this government during this depression to provide work for all Canadians. There are some who believe socialism would help. I believe the only persons who can make that statement are individuals who really believe men and women are not primarily interested in themselves, but have become impelled more by social mass interest than by self-interest. I believe they fail to recognize that the great force which has brought the world up to its present standard is that of individual initiative, the force of free men working out their salvation industrially, morally and spiritually, by relying upon their own energy and by working in compliance with the eternal laws of God, for we all subscribe to the doctrine that man was made free. There is no use in our flying in the face of those principles. By talking about new money, by talking about cooperation, we may gain votes in our constituencies; we may return here during this terrific depression while the mass of the nation is restive and dissatisfied, but we are not going to cure the problem in that way. Every man who faces this situation ought to recognize that the system which we have, this competitive, capitalistic system, is the truest, most undisguised and least hypocritical expression of humanity as it is. How did it come into existence? It was not devised; it was not foreordained; it was not planned; it was human beings working upon the forces of nature and expressing themselves. It may be that by preaching doctrines and nostrums which are at variance with humanity as it is, you may reap a political reward, but that is not going to solve our problems or enable us to grapple with the situation.

Now, as to the inadequacy of relief, I brought this question up last year in the house when I received word from West Kildonan, which is a suburb of Winnipeg in which for the last two years between 650

and 700 people have been living on direct relief, that the sustenance provided for the unemployed was not sufficient to maintain health and that it was likely to leave the unemployed in a permanently unemployable condition. I want to say this—and perhaps if I say it more quietly hon. members will listen to me; if I lower my voice, they will have some regard for the statement—no matter what we do by way of law in this country; no matter what treaties are originated here; not matter what agreements are made, if a policy of humanity is not pursued sufficient to maintain the health, strength and vigour of our Canadian unemployed and their children, this government and this commons will be forgotten. I do not expect to change the world. Years ago I did have that idea; when I came to this house I had some conception of the superposition that I would hold, of the extraordinary power I would have, but I have come to this conclusion that just as I was merely number 667 among half a million men in the expeditionary force, I am only one-two-hundred-and-forty-fifth, and hardly that, of this assemblage.

Mr. MOTHERWELL: We all sympathize with the hon. member.

Mr. STITT (Selkirk): I do not need the hon. gentleman's sympathy.

Mr. MOTHERWELL: I needed some when I was a young member.

Mr. STITT (Selkirk): When I was interrupted, I was speaking about the inadequacy of relief. Before I left home I went to the municipal secretary and I said: "Will you give me the names of twenty-four families who have been living on direct relief for a year or more?" I knew none of the people that I visited. I took twelve of the names and I went with the medical officer to their homes. Let me say this, that the bravest battle that was ever fought and that is being fought in this country today is that being waged by the fathers and the mothers who are unemployed and are trying to bring up their families and to get through this depression. Those people are the unsung, unknown heroes of Canada today. Just to give an example, in one home to which I went a new baby had arrived. There had been a caesarian birth. Does the house know what that woman was doing? She was giving up part of the meagre rations that were allowed to her to sustain her life, so that oranges might be purchased for that little child. I went to another home where a man and his wife were living in very small quarters. This was a man who had been a valued workman, one who had been in charge of a construction camp, who had not been able to obtain employment for eighteen months. He said to me: "Mr. Stitt, how long is this going to last? I have tried to get work, and I've walked the streets. I walked them day after day. I asked for employment. But I cannot walk just as far as I could a year and a half ago." I said: "How is that?" "Well," he said, "I have to give some of the relief that I get to that boy who is not up to the ordinary physical standard."

There is no use in multiplying these cases; there is no use in exposing them in the house unless something is done. As a lawyer I know we have our constitutional limitations; but one of the peculiarities of the whole situation is this, that everything or almost everything is being left to Mr. Bennett and the Bennett government. I believe that the Prime Minister and his government should be given credit for utilizing the constitution in such a way as to make even those organs of government which are not responsive to the situation play their part and do their bit.

Mr. SANDERSON: I should like to ask the hon. member for Selkirk if he is prepared to run in the next general election as a Bennett candidate?

Mr. STITT (Selkirk): I have not the gift of prophecy. Like every politician, like every man who is honest, I may change my mind. I may run as a Bennett candidate; I may not run as any candidate; I may not want to run, but after the spectacle which I saw yesterday, I do not think there is any possibility of my running as a Liberal candidate.

Mr. NEILL: May I ask the same question with the word "independent" inserted?

Mr. STITT (Selkirk): Yes, I might run as an independent. One cannot tell. I am an independent right now, supporting the Conservative government, supporting the Prime Minister, because if there had not been at the head of this country a man of affairs who knew something about banking and industry, who had the fearless courage to stand up and save an insurance company when certain people on the Liberal side were trying to demolish it, what would have happened to Canada if the organs of finance and government had broken down? I say I do not care about coming back to this house either as an independent or anything else. The only thing I care about is that Canadians who need help and who ought to be preserved, receive it.

Just think of it, 850,000 Canadians putting up this battle today! We spent millions and billions on 500,000 Canadians engaged in a war of destruction—a necessary war, I admit—but surely we can so work through our constitution that we can loan or grant money in order that these people may receive balanced rations and be adequately cared for.

My words, Mr. Speaker, have not been uttered as they ought to have been, nor have my thoughts been clothed in the language by which I should wish to express them. I went to the fields of Flanders in 1914, a lover of humanity. I came to this house largely because I wished to serve the working people of my constituency, and I came here still a lover of humanity. I am not a destructionist; I hope I am not an opportunist; but I say that the great thing we need today is cooperation and kindliness and humanity. In the great fight which our fellow-Canadians are making with such splendid courage I think that every Christian man and woman will honour this government and any man who will try to ameliorate their conditions and raise them if possible out of the low estate into which they have fallen, through no fault of their own. If we would but apply the golden rule preached to a distraught world by the Master 1932 years ago, could we not achieve the hope of His heart and the dream of all just men which He uttered when He said, "I came that men might have life and that they might have it more abundantly."

Mr. J. A. BRADETTE (North Timiskaming): I listened very attentively last night to the highly documented and well delivered address of the hon. Minister of Labour (Mr. Gordon). It is needless for me to say that I am absolutely in favour of anything that may be done by the government or the Department of Labour to alleviate the dire distress of the Canadian people. I also find myself in hearty agreement with the announcement of the Prime Minister (Mr. Bennett), yesterday that he was going to call an interprovincial conference to discuss certain social questions. At the same time I hope that the government will not fail to give leadership to such a conference in many of these important problems. I have in mind more particularly unemployment insurance. No doubt some of the provinces are not in a financial position today to start a system of unemployment insurance. I repeat that I hope that the federal government will take the leadership in this important matter.

There are two questions with which I wish to deal particularly, direct relief, and the back to the land movement. The Minister of Labour said last night that the present system of direct relief is only a palliative, that it is not to be a permanent feature of our national life. Every citizen of this country will agree and hope that that is the case. I am speaking more particularly for the constituency which I have the honour to represent in this house, and I must say that direct relief is not giving satisfaction because it does not go to the root of the present depression. Direct relief is not curing unemployment. It is not making people happy, and that applies not only in my own section but throughout Canada, for the very good reason that many deserving people, although the government is willing to help them, when they cannot find work and are actually in need of relief, will not apply for it. I wish to say on behalf of the government that in northern Ontario the distribution of direct relief is handled entirely apart from the political machinery. But at the same time quite a number of people who are willing and ready to work and cannot find it are too proud to ask for bread and butter.

I have great sympathy with the last speaker. He spoke of the wonderful character of the people of his constituency and of the courage they were showing in these trying times. I believe the same can be said of the people throughout northern Ontario, and indeed in all parts of Canada. But under the system of direct relief the morale of our people is suffering. There are more people today who do not work than there were two years ago.

Let me ask why it was that this government decided last session that direct relief should be provided instead of work. I do not think an adequate explanation has ever been given. In northern Ontario there are important undertakings to be carried out by manual labour which should be financed jointly by the province and the federal government. We had the spectacle of parliament passing resolutions and statutes last session providing for direct relief, but actually the principle of direct relief is not being applied in northern Ontario. What is done there is this: People are given an order to get goods, whether it is provisions or clothing, at the stores. They are given scrip for which they have to work. For instance, if a man receives an order for ten dollars' worth of goods at the store he is compelled to work five days at two dollars a day, and then at the end of that time he is not given any money, but simply the scrip. I do not think that was the intention of the law that we put on the statute books last session. I think it was at all events implied in that legislation that the money

would be given direct with no strings attached. I wish to repeat that there is no politics in the distribution of direct relief in northern Ontario. My point is that direct relief in the shape of money is not given. A man requires more than food in order to live. He must have clothing, boots and shoes, and medicine, and I maintain that when a man is made to work he should be given good Canadian currency instead of scrip, so that he can buy the necessaries of life he likes.

As the previous speaker said, I do not want to make any political capital out of the present situation, but I think it is the duty of every hon. member to bring to the attention of the government any anomalies that have come to his attention. I would also point out that the scrip which is given to those seeking relief is not negotiable. Naturally the storekeepers are always glad to receive orders from the government because they consider the government is safe to deal with, and so it is, but several storekeepers in my part of the country have had to wait for three solid months for their money from the government, and some of them are good Conservatives at that. It is working to the injury of the retail trade in our section. I shall not criticize the government for distributing these orders through the channels of retail trade. I believe it is right in some sections to give the majority of these orders to retailers. But let me point out that in 1919 the federal government appointed a commission to make an inquiry throughout Canada. Speaking before that commission as a retail merchant, I said that no men were suffering at that time for the very good reason that the retailers were extending special credits to their needy customers. The same principle applies today. We speak of the working men suffering, but we must remember that along with them retail traders are suffering. Go into retail store offices today and you will find ten of millions of dollars on their books which they never expect to collect. I will go further: A single retailer will not allow a man to go without having something to eat for the following day.

I have no doubt the Minister of Finance will try to remedy the condition, because he has some power over it. I have no doubt he will take steps to see that those scrips given to retailers and wholesalers by people receiving aid, are made negotiable, and that arrangements are made to have them payable at least once a month. If those orders were negotiable retailers and traders could cash them with their bankers, thereby establishing better credit under special circumstances. At least in my section of the country direct relief has not struck at the root of the difficulty. However, as a loyal Canadian citizen I told my people to accept direct relief, and to try to apply it.

No doubt the human element enters into it; no doubt in the application of the principle adopted by the government some people will suffer. I believe the governments either provincial or federal, are bound to do their utmost to relieve the present situation. There is one other point to which I should like to direct the attention of hon. members. I have no doubt the high officials in Ontario want to be fair, so far as the distribution of direct relief is concerned. The fact is, however, that some men are placed in charge who do not fully realize the settlers' problems. The moment they step into their little offices the farmer or settler finds it impossible to have access to them. Those men, who are supposed to have full knowledge of conditions, are not familiar with them. In the new section of the country from which I come it is impossible for any one to know the exact situation unless he goes over the ground himself. In northern Ontario there are farmers who need relief, but through pride, and as true Canadians, they will not go and ask for it. Government provisions should make it possible to have travelling inspectors who would make it their business to go into every section of the country and make personal inquiries.

I speak feelingly in connection with this subject because, unhappily, most of the districts are unorganized. Many municipalities such as that of Moonbeam, Machin, Shackleton, and so forth, and some municipalities in the constituency of the Minister of Labour, have not the money to extend to the settlers the direct relief to which they are entitled.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. BRADETTE: When the house took recess, Mr. Speaker, I was speaking sincerely and from personal knowledge of some of the defects of the application of direct relief in my own section of the country. I also attempted to show some ways in which the situation could be remedied. From the beginning of my remarks I have kept in mind that, as the Minister of Labour said, the government really is trying to alleviate the situation so far as is humanly possible. One statement

made by the minister last evening pleased me a very great deal; it appears on page 1465 of Hansard:

> . . . there is no reason today why any person in the dominion should go without food, without fuel and without shelter, because the municipalities are bearing their share of the burden and bearing it manfully.

Of course the suggestion is made that the provinces and the dominion also are bearing their share of the burden manfully. I said before six o'clock, however, that in my section of the country there will be suffering, not so much from lack of shelter as from lack of food and clothing during the coming winter.

Mr. SMITH (Victoria): Where?

Mr. BRADETTE: I do not like to have such a reflection made by any hon. member of the house. It is no pleasure for me to mention certain dire conditions which exist in my own constituency, but I believe it to be my duty, as well as the duty of every hon. member of the house, to bring matters of this kind to the attention of the government. I am doing it the more readily because I realize that the government want to remedy such situations, and we want the government to realize the conditions as we find them. Before six o'clock I said that the people of Canada do not want to become mendicants. They want to stand on their own feet; they want to work out their own salvation as far as that is possible, so I hope this relief is only an emergency measure and that before next summer some way will be found to provide work for the people in every section of the country.

Now I wish to come back for a few moments to the election of 1930. I am not going to open up the old wound by mentioning the promises that were made; I think they are well before the people at the present time. One of the promises made in my own constituency, as well as in the constituency represented by my friend the Minister of Labour, was the promise to build a trans-Canada highway. So far as I know only a few minor repairs to the Ferguson highway from North Bay to Cochrane and west to Hearst have been carried on, and no real work has been done on the important connecting links. I have no quarrel with other sections of Canada; I am not envious because thousands of men have been working in the camps in the Ottawa valley, but the fact remains that the implicit promise was made by the Minister of Labour during his campaign. I know he has done his best to fulfil that promise, but nothing very much has resulted. This is work that could have been carried on last summer, last fall and this winter.

There is another highway which should be constructed. I believe this is under the jurisdiction of the provincial government, but I think with the help of the federal government a highway should be constructed from Sudbury to Timmins, to provide communication between those two mining centres. The population of the Porcupine district is in the neighbourhood of twenty thousand people, who have been trying for the last ten years to have that highway constructed. I think that rather than put people on the dole or give them direct relief they should be put to work to provide some communication between southern and northern Ontario.

There is still another highway which I believe should be given consideration; that is a highway from Cochrane to La Reine in Quebec. For many years an anomalous condition existed in northern Ontario; direct communication with the province of Quebec was absolutely lacking until the Ferguson highway was built. In Cochrane, in Kapuskasing, in Iroquois Falls and in Timmins we have been agitating for years to have the provincial government build that road, which will be only forty-two miles in length, to provide communication with La Reine on the Quebec side. I believe this is the time to go ahead with that work.

Mr. MALONEY: On a question of privilege, Mr. Speaker, coming from an Ontario constituency myself, I wish my hon. friend would indicate the route the trans-Canada should follow.

Mr. SPEAKER: The hon. member knows very well that an interjection of this kind is not a matter of privilege.

Mr. BRADETTE: I agree with the Minister of Labour, who promised that the trans-Canada highway would go through the northern section of Ontario.

Mr. MALONEY: Mr. Speaker—

Mr. SPEAKER: Unless the hon. member addressing the house gives his permission, an interruption may not be made.

Mr. MALONEY: I am seeking information; I shall be so glad to get the ideas of my hon. friend. We are very anxious to have that trans-Canada highway, and if the hon. member can suggest the proper route let us have it.

Mr. BRADETTE: I certainly have no quarrel with the hon. member because the

trans-Canada highway passes through his constituency; I hope in the future he will have no quarrel with me if it passes through my constituency as well. There are many fire hazards in northern Ontario in connection with which many men could be given work. This would prevent a recurrence of the fires that from time to time have visited Cochrane, Timmins and Haileybury, the home of the Minister of Labour. All those who live in northern Ontario know of several of these hazards; everyone knows of the dread of the people of Rouyn, Porcupine and even the Timmins district from fire during last summer. I believe useful work could be done in this connection.

I believe that in the matter of the relief of single men northern Ontario has been slighted. I have seen many instances of poor settlers who, because they were single men, could not obtain relief, and I do not think that is right. I have no time to explain why there are so many single men in that part of the country, but I do not believe any difference should be made between different classes of people following the same occupation. I believe hundreds of young men could be given employment this winter and next spring in removing the fire hazards of which I spoke, which are well known to the Minister of Labour and to everyone else who has visited the northern part of Ontario.

I want to compliment the government on the work they intend to carry on in connection with airports, which will result in the employment of many single men. I do think the wages to be paid are too small, but these men will be given some work, and that is one of the proper things to do. This work is extended to northern Ontario as well; we have not such a large population, but we have many men who could be employed in this work, and I think this request should be given due consideration. I know the Minister of Labour well enough to be sure that he has already brought up that point in the cabinet.

There is one other matter with which I should like to deal at some length, because I have it very much at heart. I refer to the policy of the government with regard to the back to the land movement. I mention this matter because I am heartily in favour of anything that will help the agricultural classes and reduce unemployment in the urban centres. Last evening the Minister of Labour, dealing with the matter, found it possible to take a roundabout way in mentioning the amount of money to be spent in connection with this scheme. He said that $1,385,675 had been spent, and said he did not believe any member of this house could criticize that expenditure. Then, however, he went on to deal with the immigration policies of the former government. At page 1466 of Hansard I find the following statement by the minister:

> Let me point out to the house something which I think is often overlooked. During the period from 1919 to March 31, 1932, this government spent in its immigration department the sum of $36,718,454.97.

That paragraph can be interpreted as a reflection upon the late government, but I submit that no hon. gentleman on the other side of the house can criticize that administration so far as immigration is concerned. I may say that I for one have protested time and time again against the bringing in of too many immigrants and placing them on the land, people whom it was humanly impossible to mantain there. That is why I resent that paragraph. I cannot make anything out of it but a reflection on the Liberal party and on the late government. But the hon. gentleman went a little further:

> Hon. gentlemen opposite may say: Oh, well, we are not all to blame because others on this side of the house, when the positions were reversed, advocated the same thing. I have searched the records and I find that when hon. members on this side were in opposition they advocated the encouraging of people to come and settle upon our lands to consolidate those lands which were served by the railways of Canada.

Well, I have been in the house for some time and I do not need to go very far to find utterances of hon. gentlemen now sitting on the government benches who, when they were in opposition, advocated a more extensive immigration policy for Canada, criticizing the former government not only for days but for weeks, because they were not bringing more people into the country to settle on our vast lands. Take for instance a statement made by one of the leaders of the Conservative party, a former member for Vancouver North, General McRae. On March 9, 1928, the organizer for the Conservative party made a speech in the house in which he proposed the expenditure of $300,000,000 for the purpose of increasing immigration. He proposed to take 50,000 acres of government owned lands in the west, scrub land, clear 80 acres on every quarter section at an estimated cost of $12.50 per acre, and on these lands he was going to put 300,000 settlers, a settler to each quarter section. The government was to build a house, a stable and outbuildings at a cost of $500 each. This scheme was actually discussed seriously in the house by the Conservative

party and on March 22, 1929, General McRae repeated and emphasized his remarks. Surely the Minister of Labour will realize that even today there is no railway accommodation in the Peace River district, where the then member for Vancouver North, wanted to put these immigrants. That gentleman made the following remarks on the date I have just given:

Last year, in response to the Minister's request, I made bold to submit to this house a definite colonization program, but owing to an accident, I was unable to appear before the select standing committee on agriculture and colonization.

He said that he would stick to his original proposal, which he believed would be a good idea for the country, although the plan apparently did not meet with the approval of the government. He went on to say:

I proposed last year that the government issue land bonds against their expenditure on such a development. I gave as the maximum required $300,000,000 for a ten year program, as an average of $30,000,000 per year.

Later on he made this statement:

I presume the hon. member agrees that we must increase our population. My idea of the only place it can be increased is on the land.

I come now to the views expressed by the present Minister of Railways (Mr. Manion). As reported at page 2892 of Hansard of May 28, 1929, the hon. gentleman said:

But I do not see how you can possibly handle immigration without an adequate organization, and certainly I cannot endorse any such idea as that this magnificent country should put up its shutters and close its doors completely, taking the stand: "We have great resources; let us hang on to them and keep other people out." Surely, we have a more encouraging conception of Canada's future greatness. I personally do not understand the attitude taken by the hon. member for Battle River and by the minister himself.

Finally, we have the views expressed by the present Prime Minister (Mr. Bennett), who stated his very definite attitude to this matter in a speech which he delivered in the house on June 7, 1928, as reported at page 3923 of Hansard:

And I want to place myself upon record that it is a fallacy to believe that the bringing of more people into Canada means the cheapening of labour and the lowering of the high standard of living of those who are here. History teaches us that if you get people settled in a country you are making work. Every time you bring a new productive person into the country, whether he be productive by his hands or his brains, if you are unifying your efforts, you are already opening up new avenues of work. That has been the history of other countries, and I am sure it will be the history of this country.

Time and again hon. gentlemen opposite, when they were on this side of the house criticized the late government with regard to the rigour of medical examinations of immigrants. I remember the junior member for Halifax taking the government to task for deporting a single person from Canada. That will give the house an idea of the position taken by hon. gentlemen at that time on the question of immigration.

In my opinion, Mr. Speaker, this subject affords no room for criticism on the part of any party in this house. The Minister of Railways, speaking in northern Ontario on one occasion, made the statement that Canada should be the mecca for all the surplus population of the globe. I believe the Minister of Labour wishes to be fair, and I suggest that if he had taken the trouble to study the situation closely he would not have found it possible in his speech last evening to leave the false impression which he created. Coming to his own figures, I will quote what the hon. gentleman said at page 1467 of Hansard:

But in the fiscal year ending March 31, 1932, immigration to Canada dropped to 25,752.

I have in my hand a clipping from one of the Montreal newspapers today, in which it is said that in the port of Quebec alone last summer 30,000 people came in; so that if 30,000 immigrants entered that port alone during the past summer it is safe to assume that we shall have 100,000 new immigrants at the end of the present fiscal year.

Mr. BENNETT: That is not what it said.

Mr. BRADETTE: I will read the article:

30,000 immigrants entered by Quebec.

Quebec, 22. (P.C.).—The number of immigrants who arrived in Canada by the port of Quebec in the course of the present navigation season was a little less than that of the preceding season, according to an estimate of Abbe Philippe Casgrain, chaplain of the port. Abbe Casgrain, who is preparing for a tour in the Canadian west, believes that there will be 30,000 new immigrants this year.

Taking that figure as the basis for other ports in Canada, we can assume that at the end of the fiscal year 1932-33 the number of immigrants who will have come into the country will be about 100,000. I would suggest to hon. gentlemen opposite, therefore, that those who live in glass houses should refrain from throwing stones. There is another statement made by the minister on this matter. Speaking of immigrants, who, he said, in most instances found their way to the urban centres, he said:

In passing let me say that very large numbers of the immigrants to whom I have referred are good workmen. The first criticism I have to make is that they are not on our lands, they are in our industrial centres; my next criticism is that their coming here was not so regulated

that we could at least exclude the major portion of those who are today the instrument contributing largely to the sentiment growing up in Canada condemning their compatriots who are trying to make good.

I believe that statement could be interpreted in several different ways, but to some extent it can be regarded as a reflection on people who are now good Canadians. Only last fall about 500 foreigners took out naturalization papers in my section of the country alone, and those people will be first class Canadians. The ex-Minister of Labour saw for himself in the section of Iroquois Falls, on the occasion of a Labour Day celebration, several young athletes, boys and girls, who although they bore the so-called foreign names, were born and bred Canadians and proud of their nationality.

I think the Minister of Labour has a better knowledge of this situation than anyone in the province of Ontario. In our section of the country we have a wonderful rural settlement of Poles, Lithuanians, Czechoslovakians and Russians. These people have been placed on the land and will remain there. We also have settlements of people who have come from England, similar to the community near Hunta. Hundreds of English families have settled and will remain on the land. It may be true that eventually there is a sifting back to the city but the Minister of Labour should not allow the impression to go forth that all the immigrants brought to Canada during the past thirteen years have found their way to the urban centres. The argument which I am putting forth will apply still more forcibly to the western provinces, where hundreds of families have remained on the land and become good Canadian citizens.

As the hon. member for Selkirk (Mr. Stitt) has said, we should try to keep away from a political viewpoint in the discussion of such a serious matter. However, statements have been made which cast reflection upon certain sections of this house and I think it is the duty of hon. members to put the matter in the proper light.

I do not think a single member of this house or a single citizen of this country will criticize this government for what it has spent on the land settlement scheme. The total expenditure is not quite a million and a half dollars. However, I do not believe that any governmental scheme for land settlement will prove to be beneficial to any section of the country unless assistance is provided by the federal or provincial government. But it must be admitted that this scheme as it is being worked out under the present regulations is a step in the right direction.

Certain citizens from Ottawa were sent to the districts of Englehart and New Liskeard, and found it impossible to remain on the land. But we cannot single out only failures because there are quite a number that succeed. However, I believe that this back to the land scheme under the present administration may prove to be workable. In Ontario we are trying out a scheme which I believe will prove to be beneficial to all concerned. A small party has been settled on the land a few miles south of the town of Hearst in the district of Cochrane, and also at Rivière Solitaire in Quebec. They have been placed on the same concessions where they have good road accommodation, stores, schools, post offices and churches. This principle is being carried out also in the province of Quebec.

Mr. SMITH (Victoria): May I ask the hon. member a question?

Mr. BRADETTE: The hon. member has asked several questions. I do not mind hon. members asking me proper questions—

Mr. SPEAKER: The hon. member for Victoria (Mr. Smith) may not insist upon his question unless the hon. member for Timiskaming (Mr. Bradette) permits it.

Mr. BRADETTE: Go ahead.

Mr. SMITH (Victoria): Is the hon. member opposed to the attitude taken by the government in connection with relief for the unemployed?

Mr. BRADETTE: The hon. member must have been absent when I was speaking, otherwise he would have known that I am in favour of the actions taken by the government although I believe that they did not go far enough.

I maintain that the action taken by the province of Quebec and the province of Ontario should be carried out in other sections of the country. These people should be placed as closely together as possible; they should be settled in the same townships in order that they could erect schools and have the benefit of other necessary facilities. A few years ago strenuous objections were raised to the work of our missionaries, but I believe in this back to the land scheme the missionary, whether Protestant or Catholic, is needed. The hon. member for Selkirk mentioned the wonderful fortitude with which our people are facing their difficulties, but I believe that that is primarily because they are of the Christian faith and have listened to the teachings of their missionaries, their priests and their ministers.

An effort is being made to populate our rural sections with assistance being given by the federal and provincial governments. The people already on the land cannot find a living, yet others are being placed on the land and no assistance is being provided. The Minister of Labour stated yesterday that the people from the rural districts were going into the urban settlements. No doubt many who are now on the land at the present time will return to the urban centres, when conditions improve, but the best way to keep people upon the land is to make prosperous the primary holders of that land. I know if the settlers in my own section could make a profitable living, others would come in from the larger centres of population. At the present time these larger centres attract the people because the distribution of charity is better organized.

I believe the government is sincere in its effort to help the rural population in the newer centres, but it should carry out the land clearing bonusing scheme for which we have been agitating in northern Ontario for the last fifteen years, and with which I think the Minister of Labour is in sympathy. I would suggest that a bonus of $25 per acre be given for each acre put into cultivation. Such a bonus would prove to be of great assistance to these people. The government of Ontario is ready to grant a bonus to the settlers of that province provided assistance is given by the federal government. Should such a system be put into effect I venture to prophesy that every new settler in northern Ontario would be satisfied with his lot. This would bring about a movement from the urban to the rural sections. It is the duty of this government to see that our rural population is prosperous.

Mr. SMITH (Victoria): Mr. Speaker—

Mr. SPEAKER: Order.

Mr. SMITH (Victoria): Isn't that a provincial matter?

Mr. BRADETTE: I said it was a provincial matter but I said also that in a case of national distress, the national government should help.

It is not my intention to repeat the points raised during the last election, but there is one matter to which I should like to refer. I have brought this matter up several times since the election, but as it affects northern Ontario most particularly, I think it should be brought up again. I refer to the lack of market which we have for our pulpwood. If the settlers in my section of the country could find a ready and reasonable market for their products they would need no help from any government. I appeal again to this house to ask if it is not possible to get the United States to enlarge its market for this product of northern Ontario. During the last election the hon. member for East Algoma (Mr. Nicholson), and a minister of the Ontario government said that they would do everything to stop the exportation of pulpwood into the United States. As I have said before, so far as the settlers are concerned, their finished product is pulpwood; they can go no further in the manufacturing process.

Before I conclude, may I say that I hope the government will do its utmost to study and understand the problems of the people of my section of the country. We have been told that the government is going to call an interprovincial conference. We have come to the time when guidance should be given by the government, when direction should be given by leaders of finance, economics, commerce, and labour and I venture to say that the Canadian people, realizing that efforts are being made to solve their problems, will bear in fortitude the present conditions in the belief that eventually their problems will be solved, and that in the meantime they are receiving the consideration that they fully deserve.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I was particularly pleased the other evening when the hon. member for North Winnipeg (Mr. Heaps) moved the resolution in connection with unemployment, and I was also glad to hear the Prime Minister (Mr. Bennett) state that the government did not wish to curtail or would not curtail discussion on this subject. I listened also with a great deal of interest to the remarks of the Prime Minister today when he spoke of projects on which the government were working and which would probably be laid before parliament when we meet again in January. One of them, in connection with unemployment insurance, should meet with the approval of every hon. member. Unemployment insurance is good not only for the country as a whole but for the industrial workers and the industrialists as well. I am sorry such a measure was not introduced many years ago when the country was in much better position to carry out unemployment insurance than it is at the present time. When one considers that those with money invested in industry can in ordinary times make profits on inflated book values, pay interest and lay by surpluses, including money for depreciation

and all other purposes, surely some thought should be given to the poor worker who at times receives in wages merely a pittance, a bare subsistence, who in time of sickness does not draw wages or salary, and who, when he gets old and becomes of no more use or service to his master, is discarded; he is not treated even as well as an old horse, because oftentimes an old horse is looked after until it dies. Surely in this day and generation we can give a little thought to the human element that helps in large measure to produce the wealth of our country.

I know many hon. members are anxious to return home; I know also we were summoned here for a special purpose in connection with the Ottawa conference trade agreements, but I sincerely believe, with destitution and unemployment such as they are today in Canada, we can very well afford to spend a good deal of time discussing this question which affects not only this country but the whole world. I am sorry some hon. members take, with regard to this depression, the view that was portrayed in a picture show to which I happended to go last Saturday evening, when a man speaking over the microphone was supposed to be talking about the depression. He said: "What is depression? Depression is a dent. What is a dent? A dent is a hole in the ground. What is a hole in the ground? Nothing." And he said: "What do I want to speak about nothing for?" It seems to me that at least some hon. members take that view, and say: what is the use of discussing this depression? I know the trade agreements are now practically through, but even if they accomplish all that the Prime Minister and the government expect them to do, it will take a good deal of time before even the benefits which they claim will accrue from them and will reach the masses of the people.

It is the immediate present and the coming winter in which I am particularly interested, and when one hears the figures as to the number of unemployed throughout the country, he must realize that those who are without work are more vitally interested in the present than in what may happen to Canada a year or two or three years hence. I was very much pleased this afternoon to hear the hon. member for Selkirk (Mr. Stitt) as well as some hon. members on this side, say in regard to the trade agreements that until our exchange situation is finally adjusted, no great good can accrue from them so long as Canada keeps in line with the United States in monetary matters.



I do not propose to rehash old political speeches. I am one of those who feel that many such speeches do not serve any useful purpose. They may at times contribute some heat, but I believe no useful end is served by delving into the realm of the past and throwing political epithets across the floor. In passing, however, I am going to make one remark, and it is in regard to a statement which the Prime Minister made in no uncertain terms the other day. He said that unemployment was primarily a municipal, secondarily a provincial, and after that a national problem. I think the country as a whole would have been better pleased had he and those who sit behind him adopted that strong, emphatic attitude in the early part of 1930, when that principle was enunciated to the house by the present leader of the opposition (Mr. Mackenzie King). I know many hon. members then took the opposite view. I am not going to discuss the election cries that were raised, and the statements made that anything can be done in a national emergency. There is no use, however, in saying that this is not a national emergency, but something else, because the country as a whole looks upon it as a national emergency. It is a national emergency and it is up to the Dominion parliament to take a stronger stand and do more than it has so far done. I am sorry the Prime Minister would now make that emphatic opinion after being two and a half years in office. It would have been better had that stand been taken in the early part of 1930, because I well remember, as reeve of a municipality, the problem had been besetting us for nearly a year, and I think I can say safely there was hardly a reeve in British Columbia who did not consider that the situation was away beyond him at that time. We at least who were holding municipal office at that time were firmly convinced that it had then got beyond a municipal and provincial problem. We did not agree with those who took the attitude that it was not a national emergency.

I have listened to many tales of the early pioneers. I would just remind the house that, while all credit is due to the early pioneers, there is a difference between them and the pioneers of today, because today we have in almost every province pioneers equal to those of long ago. In the early days the mode of living was different from what it is today. If a man who went into the woods could find a deer and grow a few potatoes, and have flour, and so forth, he was well content. The wealth of people was, at least,

not so prominently displayed as it is today. At the present time, however, conditions differ greatly. It is true the early pioneers toiled and moiled, but the earth, with the primitive tools they had, did not produce to the same degree or extent that it does today. Under present modern conditions the earth yields bountifully, in fact too much so. Some countries, and especially the one to the south of us, have been known to burn some of their crops in the hope of finding a better market for what remained. We have granaries full of food; in British Columbia we have farmers with their barns choked full of produce none of which they are able to sell or even barter. In the old days people were more self-sustaining. They went in then for trade and barter. A farmer obtaining clothing, sugar and so on for his produce. We have, however, got beyond that stage. In British Columbia, at least, the merchants will not or cannot take the goods which the farmer has to sell. There is absolutely no market. So he is really suffering just as much as the early pioneer, if not more, and his sufferings are more acute in that he sees great hoards of produce heaped up which he is unable to buy. We have everything in abundance. It is a famine in the midst of plenty. It is a condition for which we cannot blame God for it has been brought about by the ingenuity of man and by his inherent greed. Cheap as the goods are the buyer has not the means to purchase them just for want of a little bit of metal or a piece of paper, for want of what someone has called the bloodstream of our economic life. This country has an abundance of goods of all kinds, and what we are suffering from at the moment is a lack of distribution.

I was pleased to hear the hon. member for Selkirk (Mr. Stitt) speak before six o'clock in the strain he did. I would like to see more of our discussions carried on in the same dispassionate manner. My remarks on unemployment will I hope be along the same lines and be constructive rather than destructive.

I want to make some suggestions regarding relief as it is carried on in the province of British Columbia. The Minister of Labour (Mr. Gordon) yesterday and again today touched on some phases of the relief scheme. I have before me The Province, and in connection with some statements that it makes I want to offer a criticism which I think should be made in this house.

First of all I find that military camps are being established, into which single unemployed men are being taken, where they will do some work and are going to be drilled. This government cannot take the stand that all this is being entirely done by the province, that it is purely a provincial matter because in the case of a military camp I am sure the Minister of National Defence must have been consulted. I think it is a dangerous thing to do. The government is anticipating something that may never occur. To take unemployed men and train them as soldiers and then take them out against other unemployed is not very good business. I deprecate the idea, and I think I am not too severe when I say that that should not be done, particularly at the present time.

Mr. STEVENS: What is my hon. friend's authority for saying that the government is putting unemployed in military camps and training them as soldiers?

Mr. REID: My authority, first of all, is that anything pertaining to a military or militia camp would come under the Dominion government. Then I read this:

> Mr. Lougheed announces the camp for unemployed militiamen will be at the end of Seventh and Eighth avenues, and the men will work at extending Chancellor boulevard to provide bus service to the university, via Seventh avenue.

Some work is going to be given them. Here is another paragraph which says:

> Entirely apart from its own merits the concentration of 300 trained militiamen in the Vancouver area is expected to have a salutary effect this winter, counteracting any tendency towards sabotage, such as made necessary last year the extra policing and patrol of the whole of the greater Vancouver area at considerable added cost to the city and the government.

I am reading from a paper that is published in my riding. The government must know that unemployed militia men are being put into the camp at Point Grey. The information I have is that they will work part time and devote the rest of the time to drill.

Mr. SUTHERLAND: If my hon. friend will permit me, he has an entirely erroneous idea of the matter.

Mr. REID: I sincerely hope that I am wrong and that the minister will be able to contradict that statement. But that was the information that reached me from the coast, and until it was corrected I thought that this was the proper place to bring it forward and criticize it. If such a thing is going on it should be known. I am personally against any such move, and I should be glad if when I am through the minister would explain just what the situation is.

Mr. GORDON: If my hon. friend will permit me to make an observation, the newspaper report which he is reading is absolutely

and entirely wrong from beginning to end. It is another illustration of how much anxiety can be raised in the public mind by the reading of articles such as have been read by the hon. member. A casual inquiry from either the Department of Labour or the Department of National Defence by the hon. member would have entirely disabused even his mind of any such idea as is contained in that newspaper article. There is no thought of drilling the unemployed as soldiers in any way, shape or form, and I hope that the hon. member in future will try to get accurate information before making any such statements.

Mr. REID: I think it ill becomes the minister to make the remarks he has made, because I am quoting from The Province of Vancouver which bases its article on the statements of Mayor Taylor of Vancouver, and of the Hon. N. S. Lougheed, provincial Minister of Lands in British Columbia. If this article is not correct they are the men who should contradict it. The statements I have quoted appeared in one of our most prominent newspapers on the coast, and no contradiction of them has appeared as yet.

With reference to the back to the land movement, I realize that probably any scheme is better than no scheme at all, and I have no fault to find with part of the scheme whereby men may be established on the land. But I cannot altogether agree with the back to the land movement as it applies to the lower Fraser valley and the Pacific coast of British Columbia. I have in my hand the Langley Advance, a paper published in the midst of a farming area, in which the municipal council has called a mass meeting of all the citizens to discuss ways and means of taking care of the destitute—mark you, not the destitute unemployed—but destitute ranchers who have been settled there on what we call stump ranches of five- and ten-acre lots. I might say there are two classes of farming in British Columbia. One is carried on in the dry belt, and the other on the coast. On the coast, farming is done mostly on small acreage farms. If the scheme is to take people who are already poverty-stricken out into those districts, I think it should be looked into very carefully before any settlement is done, especially in a farming district where public meetings are being called for the purpose of relieving destitute ranchers and where I might say the reeve is going to retire because he cannot give any assistance to old friends of his who have been in the district for forty years and who now require assistance. I am not sure where they are going to be placed; the Pacific coast is a very general designation. There is no intimation just where these people will be located. It takes considerable money to establish them, and when we find that ranchers already in the district are destitute I think the scheme should be inquired into very carefully before the men are taken away from the cities and put on the land. No doubt the cities will be glad to let their unemployed go anywhere so long as they get out of the cities. It is said that the cities will take them back if they are unsuccessful as settlers. I doubt very much if they will, because, in the province of British Columbia, once a man gets into a municipality he becomes the responsibility of that municipality. Many of the municipalities are not backing up this scheme, and I want to assure the minister that many of those who are proposing this scheme in British Columbia have never attempted to do any of what is called in British Columbia stump ranching. I speak from experience. It is hard enough to go on a place that is cleared and keep it going without taking up land that is not cleared, even if you are given $600 to carry you over for the first two years. I notice that single men are being cared for, and in connection with their care the subject of camps has come under consideration. I believe the camps in British Columbia have been well constructed, but I do not like the idea of giving single men food and clothing, but with nothing to do. No farmer or business man would take an able-bodied man, give him his board and then let him sit around his home doing nothing. If an able-bodied man has any spirit, he wants to work. The fact is that many of the unemployed if only given a chance are willing to work. In my view to leave them idle will breed discontent. True, they may organize football teams and social clubs, but I do not like to think of our men being herded into camps with nothing to do but read books and play. I am opposed to handing out charity without having work done in return. In my view plenty of useful work could be done, and many of the unemployed are willing to do work in return for their board and lodging. It has been intimated to me, however, that no work has been expected from them, except the few chores around the tent.

Mr. GORDON: I do not like to interrupt the hon. member, but I must say the statement he has just made is entirely incorrect. These men are placed in camps, comfortably housed and expected to do useful work. In order to relieve the hon. member's mind I

say to him that even in the province of British Columbia, about which he feels so fearful, there has been a general desire to work on the part of the men, and work is being done by them.

Mr. REID: Mr. Speaker, I was not going to mention a little incident which came to my attention, but owing to the minister's remarks I am bound to do so. Today I received a letter from a gentleman in charge of a camp in British Columbia. He tells me that on one occasion a doctor was called to attend a sick man in one of the camps. Upon his arrival he found that hot water was necessary, and asked one of the unemployed men to get some, while he attended to the patient. The unemployed man replied, "We are not going to do work; we are not expected to do work. Go and get it yourself." I had not intended to relate that incident, but the minister has drawn it from me. I should be very happy to furnish him with further particulars, if he desires to have them.

Last evening the Minister of Labour discussed at great length the question of immigration. I want to make some comments in this connection, and to state that I am not as alarmed as the minister regarding this particular problem. I know from experience that about ninety per cent of the ranchers in the lower Fraser valley were in their earlier years industrial workers. They came to this country as bakers, electricians, and so on. They had a desire to get out into the country for themselves, and have become some of our most successful ranchers and farmers. No one can tell who will make a good settler or a successful immigrant. I know, however, that the Minister of Labour discussed at length the problem of the unemployed who come to the city. Probably I misinterpreted his remarks, but I noticed particularly that he gave figures for only those years in which the Liberals held power. While I know many evils did exist through the immigration policy of the late Liberal administration, yet I must say that most of the immigrants coming to this country were at least white settlers and could be assimilated into Canadian life, their children becoming good citizens later on. I would like to mention the damage done not only to British Columbia but to the whole of Canada when, during an earlier Conservative administration, the Canadian Pacific Railway Company were allowed to bring in about 25,000 Chinamen to work on our railways. Then, from the years 1911 to 1921 about 31,000 Chinamen were allowed to come to Canada. When the Minister of Labour rises to speak I should like to have his views regarding that type of settler, and his opinion as to whether or not they will make good in Canada. I have always claimed the Chinese are an unassimilable race, and with the Japs, should have been kept out of Canada. They were first brought in during the construction period of the Canadian Pacific railway, and gained a foothold at that time. Word went back to the orient that this was a land of opportunity for the Chinaman, a man whose standard of living is as low as that of a galley slave. They came in by the hundreds. Today we find them not only on the land but practically controlling the business centre of the city of Vancouver.

[Mr. Gordon.]

I hold in my hand a report issued in 1927 by the legislative assembly of the province of British Columbia in which there are set out figures concerning orientals in British Columbia. These figures reveal that they are in practical control of almost all business in the city of Vancouver. The following table will serve to show the percentage of business held by Orientals in that city:

| | Per cent |
|---|---|
| Laundries and laundry offices | 82½ |
| Greengrocers | 91 |
| Hawkers and peddlers | 72 |
| Poulterers | 62 |
| Fish dealers | 45 |
| Restaurants | 33 |
| Bath parlours | 53 |
| Cleaners and dyers | 39 |
| Barbers | 32 |

And so on, all along the line. Probably hon. members will not believe that Chinese control fifty-three per cent of the bath parlours in the city of Vancouver. The fact is that in the early days of the Canadian Pacific railway, and then again between the years 1911 and 1921 they came in by the thousands. In my view the Asiatic type of settlers should be kept out of Canada; they will never become assimilated; they will never be Canadians in the true sense of the term. If they were not in Canada at the moment there would be much more work for our own kith and kin.

I shall devote part of my time now to the matter of loans. Although I do not claim to be a financier, in my own way of doing things I should like to give a few interesting figures and make a few suggestions based thereon. Many of us have been speaking about inflation and also advocating it, and some hon. members have characterized our talk as foolishness. As I have stated previously, I should have liked to have our dollar at a point equal to the English pound sterling; such a condition in my view would have reacted greatly to the benefit of Canada.

My figures, however, are in regard to our debt and interest. I have before me the total debt of the municipalities, the provinces and the dominion. I find that the bonded indebtedness of all municipalities is $1,209,645,181; the bonded indebtedness of the provinces is $1,016,647,165, and the total indebtedness of the dominion, according to a statement recently issued by the Department of Finance, is $2,501,854,198. This makes a total of about $5,000,000,000 for a country with a population of a little over 10,000,000. It is a very heavy debt for such a small population, and one which is crushing the very lifeblood from our people. Debts with high interest charges cannot be maintained if our people are to prosper as they should. I know that if steps could be taken to lower by even one per cent the interest charges on our recent debts we would be saved about $52,000,000, yet when those of us on this side spoke about inflation and suggested that the government issue its own currency, we were met with the argument from the other side that our indebtedness in the United States was so great and our interest charges there so large that we would lose money by doing so. It was a surprise to me to find that of our public dominion debt totalling $2,501,000,000, only some $240,000,000 was payable in the United States. I say that was a surprise to me, because the argument had been advanced that if we inflated our currency and our dollar went down, our interest charges in New York could not be met.

Then I looked at the debt payable in the old country, and I found a very remarkable fact. Some debts were incurred back as far as 1888, and on four of those old debts payable in London amounting to $42,159,415 we have paid interest totalling $49,214,142, while the original sum is still owing. It makes one think just what interest charges amount to; in this one case we have paid more than the principal sum in interest alone. I believe that if it could be done by some means or other we should now pay off the $311,000,000 we owe in London. If that were paid in sterling we would make a saving of over $47,000,000, since we would pay with the pound at around $3.73 instead of $4.86, and on the interest payable in London we save about $2,000,000 at the present time by paying in sterling. Of course if sterling reaches the level of gold or if we go down to the level of sterling we will lose that $2,000,000, but an ordinary business man with debts maturing in London would gladly borrow the money somehow if he could make a saving of that kind. I think this is something which should be given consideration by the government. Foolishly or otherwise I believe the government should have issued its own currency with which to pay some of its debts, but if we cannot do that why not try silver coinage? South Africa has silver as legal tender, and many other countries with which we trade also use silver. The United States, though not officially on the silver basis, has a dollar bill payable in silver. At this time I think we might very well consider the idea of silver coinage if we are afraid to follow the policy of inflation or of issuing paper.

My time is getting short, Mr. Speaker, and I should like to make just one other suggestion. I have made these few observations realizing that in these days the task confronting any government is not easy. But I believe that if the nations of the world, including Canada, had tackled this problem with the same spirit and enthusiasm that they tackled the late war, the question of unemployment and destitution would have been solved long ago.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, I should like to say a word during this debate. The constituency of St. Boniface flanks the city of Winnipeg and embraces within its confines the city of St. Boniface, the Winnipeg suburb of Elmwood and the town of Transcona. These are essentially working centres; you may travel the length and breadth of that constituency and you will find few mansions and no millionaires. I have heard it said in this house that about ten per cent of the working population of Canada is unemployed. Speaking for the working constituency of St. Boniface, Mr. Speaker, I can tell you that easily fifty per cent of the working people are unemployed.

The world at large seems to be in rather a crazy frame of mind, and Canada is not the least crazy place in the world. For several years past this country has been abundantly productive, but still we find poverty and distress on every hand. Throughout the length and breadth of this land there should be no unhappy soul, but from north to south and from east to west unemployment is everywhere present, together with misery, deprivation and almost starvation.

Mr. SPOTTON: Well, well.

Mr. HOWDEN: They are to be found on every hand.

Mr. SPOTTON: What did you do about it?

Mr. HOWDEN: That is just what we want to know. It is up to this government to do something.

Mr. SPOTTON: What do you propose?

Mr. HOWDEN: If the hon. gentleman will keep his shirt on perhaps he will find out what I propose.

Mr. SPOTTON: What do you prescribe? You are a physician.

Mr. HOWDEN: This is a strange state of affairs; with granaries bursting with wheat, markets glutted with merchandise of all kinds, idle factories and packed warehouses, we have twenty-five per cent of the inhabitants of this country poorly clad, poorly fed and poorly sheltered. It is found by those who are feeding men just now that good, wholesome meals can be provided for nine cents, but I will venture the opinion, sir, that a great many men in the part of the country from which I come do not very often see meat on the table, scarcely ever have milk, and are glad enough to have bread. With wheat at 25 cents a bushel, beef at 2 cents a pound, pork at 3 cents a pound, eggs at 10 cents a dozen, poultry at 5 cents a pound, milk and butter and everything else at correspondingly low figures, what a utopia this country ought to be; but if you have no money what matters the price? These men have no work; no pay; poor food; poor clothing and not much shelter. What a shame to this civilization!

No man could listen to the debates in this house and remain in doubt as to the causes of this condition. They are too many and too complex to discuss here and now. May I pause for a moment to say that wealth was originally produced by men and labour; it is now produced by machinery and men, and just a few men. The wealth of the world, as much as there is any possible demand for at the present time, has been produced. It is now in the hands of the few, and until it is absorbed or to some extent consumed there is no need for any more labour. The vast army of unemployed men have no purchasing power, no means of obtaining a share of this wealth, and the few show no voluntary disposition to share their portion with the others. And so the impasse; and so unemployment and discontent and demoralization. If there were famine in this land we might half expect those directly affected by unemployment to accept their lot with a certain degree of resignation and finality. Some time ago I saw an article in which the statement was made that in 1931 Canada produced $700,000,000 worth of products of which the Canadian people consumed less than half. The figures may be incorrect but the facts are there. Canada produces at least twice as much wealth yearly as is required to support the needs of her population in abundance. In the ranks of the unemployed today are many men who a short time ago were living in comfort, and many who were well to do. They are reasonably intelligent men and they are aware of the facts. They are disposed to wonder and to ask where the other $350,000,000 went to. They are Canadians, born and brought up in this land, the children of Canadians, whose forebears were Canadians. Canada for Canadians, but for all the Canadians, not for a few.

Is it any wonder that there is intense dissatisfaction? The right hon. the Prime Minister said last night that the poor we have always with us. He might have said as much of thieves and profiteers. Dissatisfaction does not describe it; it is much worse than that. In every city in Canada there have been serious riots; there has been bloodshed. In many locations in the western part of this country the air is at present surcharged with bitter resentment. At present only the fear of law maintains some degree of order. But, Mr. Speaker, should the time come when the governments and municipalities of Canada find that they are unable to cope with this unemployment situation, unable to feed the idle people in this country, no law, no force either military or whatever you like, will restrain this mass of discontented, resentful human beings.

I would pause here to observe that to some extent the liquid resources of this country are running down. The provinces are in many instances in a rather bad way, and while I do not know just what the proportion is, I can assure you that there is a very large proportion of municipalities in Canada that are insolvent. I want to read a letter that has come to me from St. Boniface—and I may remark here that there are only about one thousand families all told in the city:

Dear Mr. Howden,—

At a largely attended meeting of La Ligne Civique des Citoyens de Saint Boniface composed of all French speaking citizens, I was instructed to draw your attention to the serious situation which has developed in our city through continued unemployment.

It may be interesting for you to know that in September we had in St. Boniface, six hundred and forty-eight families on relief which made a total of thirty-one hundred and eight persons. A total sum of $24,240 was spent of which our city is forced to pay one-third. Refunds for federal and provincial government shares are always two and three months in arrears and we are greatly concerned as to whether our bankers will continue to carry us.

The situation is so acute that our city council has decided to default on its interest payments and there will be no more debenture coupons paid until an adjustment is arrived at between the bond holders and the city giving us a reduced rate for further payments of interest. This however is not sufficient and unless the federal government will accept to increase their share of direct relief to at least 50 per cent as they were urged to do by the conventions of premiers and mayors of western Canada we will find ourselves unable to continue granting relief to our unemployed and even then it may be possible that our city will be in such a financial position as to make it impossible to continue granting relief to its needy citizens.

This letter is signed by George Chavanne, president. I have another letter of precisely the same tenor from the southern end of the constituency of St. Boniface, the end from which I hail, namely Norwood. It reads:

At a recent meeting of this organization I was instructed to write to you (and to the Minister of Labour) drawing your attention to the increasing seriousness of the unemployment and relief situation in the city of St. Boniface, and to the increasing difficulty of the city authorities to deal with the situation. In the month of September there were 648 families, with a total of 3,108 persons receiving relief in the city. There has already been a cut in the relief allowance with a prospect of further reductions. I am instructed to urge you to bring this matter before the federal government and impress upon them the necessity of absorbing a greater proportion of the cost of relief. The city is contributing one-third towards this cost, but if a greater share is not assumed by the government in the near future, we are given to understand that the city will be unable to continue to give relief to the unemployed. We trust that you will realize the seriousness of the situation and urge the government to take immediate steps towards relief.

The government was elected to office on the understanding that it would avoid these very conditions and put an end to the state of affairs that then existed. Their proposed plan was simple and it was widely advocated: increase the tariff, shut out the foreigner and keep Canadian markets for Canadians. After more than two years of trial it has failed utterly and unemployment has increased from 100,000 to 700,000 in that length of time, with a corresponding aggravation of all the attendant evils. Last night the Minister of Labour seemed disposed to take the former Liberal government to task for its policy in connection with the bringing of immigrants to this country. I sat on the other side of the house for five years when hon. gentlemen opposite were in opposition and I remember hearing the Liberal government of that day being taken to task week after week and month after month. The opposition of that day never wearied or tired of informing the government that they had no immigration policy, that what the country needed was immigrants and that the government had fallen down completely. That was what they had to say. I do not need to mention the various hon. members who spoke at that time upon the matter, nor need I refer to the suggestion made by the then member for Vancouver North, now Senator McRae, or to the criticisms of the present Minister of Railways (Mr. Manion). Not only did the opposition of that day advocate immigration to this country, but seemingly every representative and intelligent business man was calling for the same thing. This country was experiencing a wave and surge of prosperity; railroad lines were being built, great edifices were being erected, rock cuts were being put through, basements were being dug out—there were all sorts of dangerous work to do, and the ordinary Canadian, the ordinary Britisher would not do it, nor would the Irish or the Scotch. We had to have bohunks, so nicknamed, and dagoes and Chinamen and men of that type to do the work. They were the only ones who would do that class of work and the big business men of this country demanded that they be brought in.

Mr. MULLINS: What does the hon. member mean by "bohunks"? Is that an insult to the intelligent new Canadian?

Mr. HOWDEN: I do not need to tell the hon. member for Marquette (Mr. Mullins) the type of labourer to which the term "bohunk" is applied. I do not apply that term in any sense of disrespect, but that is what they were commonly called by Canadians—bohunks.

Mr. MALONEY: Who are they?

Mr. HOWDEN: The hon. member to my left tells me that they are Tories.

Mr. MULLINS: That shows their intelligence.

Mr. MACKENZIE (Vancouver): No personal reflections intended.

Mr. HOWDEN: One cannot say that the government has been idle or has made no effort to relieve conditions. From time to time they have expended large sums of money, unfortunately not always to the best avail, but undoubtedly affording a certain measure of relief. But the evil itself is as far from being cured as ever. The country has gone behind over $200,000,000 in two years. Unemployment never can be cured in this way, neither can it be cured by unemployment insurance.

The right hon. the Prime Minister spent some time last night discussing unemployment insurance. That is decidedly a factor, but he has stated many times that the only form of unemployment insurance which he would consider would be contributory. It is beyond me how contributory unemployment insurance is going to help the idle men we have in Canada—almost a million—who have not a cent to their names. The only way to cure unemployment is to provide work. Give a man a job, keep his mind and his body occupied and he will be reasonably contented. The worst feature of the present condition of unemployment in this country is not the poverty, the distress and deprivations to which these men are being exposed; it is the fact that they are idle. No decent, honest man can be idle and happy. These men are dissatisfied and discontented at home; they meet in groups upon the street corners and, believe me, the topic of their conversation is not the least bit complimentary to the government of the land. Unfortunately science has advanced to the point where but few men are needed to cultivate the wealth of the country, and the burning question before us today is: What will we do with the balance?

Mr. SPOTTON: Weigh it.

Mr. HOWDEN: I might inform my hon. friend on the other side that I am a little deaf and cannot hear what he said; probably it is just as well.

Mr. MACKENZIE (Vancouver): The hon. member is lucky.

Mr. HOWDEN: The recent inter-imperial conference was heralded as a great saving force, and one which would soon provide a way out of our troubles. It has come and gone, and its only result has been to raise the tariff, to destroy world trade for Canada, and to increase our difficulty. Do hon. gentlemen opposite think for one moment that the unemployed throughout this country believe that they are going to get any relief from the recent conference? If they do, they certainly have another think coming.

The functions of government are to control, to direct and to protect. This matter has long since become a federal responsibility, in fact, the government freely accepted that responsibility when appealing for office. No one seems to know the way out, but if a way out is not soon found, we will have a panic and our institutions will come toppling down about our ears. This is the time for all to think and to endeavour to find a plan or remedy which will have some lasting effect. The government has been borrowing vast sums of money which when expended have returned like waters to the fountain. There is no lasting benefit in this practice but to those who lend the money. How long is the government going to mark time? With unemployment increasing at the rate of 300,000 a year, with the deficit of the country growing at the rate of $100,000,000 a year, with Canada spending $135 for every $100 that she collects, how long is the government going to fiddle while Rome burns?



Mr. SPENCE: Will the hon. member tell us how to remedy the situation?

Mr. MALCOLM: A change of seats—that is the answer.

Mr. HOWDEN: Our immediate need in this country is money to fill in the breach; our ultimate need is work to offset unemployment. Many hon. members have advocated inflation. I am quite free to admit that I have no knowledge of these matters. At home I am merely a rural doctor and I do not know very much about money. But if there be any virtue in inflation; if there be any possible chance that inflation will help this country out of its difficulty, it ought to be seriously considered by the government.

Mr. MACKENZIE (Vancouver): They have started it to some extent.

Mr. HOWDEN: I believe they have. During the crisis of the great war this country needed men and the government conscripted manhood. In the present crisis we have need of money, and the country's wealth should be at the disposal of the government. But that would not be enough; we must have work if we wish to avoid chaos. Why not let us trade freely with the world? We can supply at small cost the things that they need, and they can supply at small cost the things that we need. Fair exchange is equitable and what this country needs, and it would put a vast army of men to work.

An hon. MEMBER: How are you going to get over their tariffs?

Mr. HOWDEN: That is the trouble. We are going to get over their tariffs some day, before very long, but while hon. gentlemen opposite still remain in their seats, we shall have some difficulty in doing it.

We have millions of acres of fertile land in this country, and we have hundreds of thousands of idle men. Why not bring them together? Since coming into this house I have consistently advocated that this be done. I should like to read an article; it will not

take very long. Last year in the city of Winnipeg a scheme was developed to put a number of men on farms and small plots of land in Manitoba. A Mr. J. P. Seimens was the instigator of this movement, and he writes in connection with it as follows:

With reference to the general back to the land movement, Mr. J. P. Seimens, former Manitoba farmer and business man, who started the present local movement early in 1931, writes as follows: "This back to the land movement is no fanciful scheme, but the only really constructive, economic, sane and stable thing that can be advanced. Governments elsewhere are beginning to see it is the only way under present conditions. We can do without new federal buildings, canals, better highways, etc., but the food that all require must come from the ground. It seems absurd, for instance, to spend by labour $1,100,000 for a ditch that can be made by steam shovel for $150,000. This saving of $950,000 would place 1,000 families, representing 5,000 people at least, on land. This is what our governments must do and quit borrowing money and spending it to feed the people on a system which we could not afford in prosperous times. The sooner we realize world conditions, the sooner we will come to a system of small mixed farming without debts and big overhead. There are not too many farmers. Half our city folks should go on a piece of land and earn a decent living. This is what our fathers did and they were content.

I do not suggest that men be placed on large holdings requiring extensive apparatus and with heavy operating costs. What thousands of men need today is a piece of land and some food and work. Let them begin on small holdings, settled in communities, of forty or eighty acres at most, with a shelter, some poultry and seed for a season. Thousands of seriously minded people are today anxious and longing for just such a start. Since the beginning of time men have taken their living from the soil. Today they do the same thing and they must continue to do so for all time.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to congratulate the Prime Minister (Mr. Bennett) on the anouncement he made last night that it is his intention in the latter part of this session to introduce a bill embodying the principle of unemployment insurance. I receive the intimation with hope and gratitude, tempered with the assumption that the bill will be a workable and equitable one. I also agree with him that it would not be practicable unless it were on the basis of a contributory system. But of course we must recognize that unemployment insurance, however desirable it may be to initiate it, has no bearing upon the present unemployment relief situation.

Dealing with the latter, I was very sorry the Minister of Labour (Mr. Gordon) did not yesterday make such a statement of policy, especially as regards British Columbia, that would not have required or compelled me to enter into this debate, because I do so under compulsion. Last night, speaking about a certain situation, he used the expression: "No time was lost." That may have been true as regards the situation of which he was then speaking, but it is a horrible travesty on the situation as we know it in British Columbia. Instead of saying that no time was lost, I would submit that almost all time was lost in that regard.

I am on record in Hansard last spring as saying very frankly that I believed the Dominion government had made a very genuine attempt to meet the unemployment situation, and I ascribed to the British Columbia government the blame for mismanagement of the relief, whereby great inequalities took place, money was spent on political heelers and material, graft prevailed, and in the end many people suffered owing to lack of money and maladministration of the funds. I did not blame the Dominion government for that. This last summer, however, the situation, as I saw it—and I had some opportunity to see somewhat behind the scenes—has very considerably changed. The British Columbia government, influenced by I know not what, perhaps by the fear of God or by some motive less praiseworthy, perhaps by the fear of an imminent provincial general election, certainly changed its attitude, and, not simply on one occasion but on quite a few occasions, showed that it was making a genuine attempt to deal with the situation; the trouble certainly seemed to be that the Dominion government was stalling from time to time.

I would like to compare the promises that were made with the results. As we all remember, last spring when we were passing the relief bill, if we sought to delay the proceedings by inquiring as to the meaning of the different sections, asking that the substance be put into the act instead of into the regulations, so that we would know exactly what was being done, we were threatened and reproached again and again with holding up the relief for the poor, and the picture was held up before our eyes of hungry men, destitute women and starving children whom we were preventing from getting relief. We were told in regard to all these matters that we were inquiring about at the time: "Pass the bill and all these things will be added to you in the shape of regulations." We were promised that the regulations would be published in the Gazette. They were not. There

was a very brief summary published from time to time which did not tell you anything.

I quote from the remarks of the Minister of Labour on April 28 last. Speaking of the relief measure he said:

> When the legislation is approved, agreements will be entered into with the provinces whereby I trust a contribution will be made—the basis has not yet been determined because the agreements have not yet been entered into—by means of which loans or advances will be made by this government to the provinces for the purpose of taking care of the destitute people for whom the provinces have primary responsibility.

A little further down on the same page he said:

> It has not yet been definitely determined—

He was speaking of the Dominion government's share:

> —but I hope it will be immediately on this legislation receiving the approval of the house.

On another date, May 9, I had been making some inquiries to find out just what the Dominion government's share was going to be, and had pointed out that it would not be fair if it was confined to one-third because the previous year the Dominion government had contributed one-half of the expenditure on works, and I had pointed out that the municipalities could not afford to pay one-third this year. Then the Minister of Labour said:

> With respect to direct relief generally—and this covers all the instances to which the hon. member has referred—the present discussions have been on the basis of contributing fifty per cent. I do not know that any better arrangement can be made. That again, of course, may be subject to some review when the agreement with the provinces is concluded. At the moment, however, and I do not think it is likely to be changed, direct relief generally will likely be on the basis of a fifty per cent contribution.

That is plain enough, is it not? So we established three principles at that time. First, immediate action was going to be taken on the passing of that legislation. Second, the Dominion government would grant sufficient sums to the province so that the province would lend sums to the municipalities which could not finance themselves. Third, the Dominion government had it fully in contemplation—they did not think this would be changed—that the Dominion government's contribution would be fifty per cent. Something was also said about the back to the land movement, but I need not go into that just now. I certainly went home, as I believe other hon. members did, with the idea that these were promises made in the house and that we could rely upon them. The municipalities were naturally anxious to know what the situation was, and I told them that if they could not finance themselves they would be able to apply to the province, which would be compelled to grant them such assistance as they required by lending them the municipality's share. The situation was acute because several of these municipalities were, in plain and simple English, broke; they had no money. The province took care of the single men, but the married men were down to the point of starvation. Some municipalities said that they would give them a relief order, but the stores would not cash the order. I will give an instance without mentioning the name of the city. Its population is 2,340, relying upon lumbering and fishing for their livelihood. Last June the large saw mill at this place was closed down, throwing 600 employees out of work. The fishing has not proved a remunerative business this year, as all the fishermen can get is one cent a pound for white salmon and three cents for red salmon, not enough to pay expenses, and in consequence many of the fishermen are destitute. The municipality could handle two hundred more people per month, affording them relief, if they had the money to put them to work, but they say: "There is not sufficient tools and equipment to keep them at work, as we only have two dump trucks, which are at present not being operated because we cannot afford to buy fuel." Fancy a town of that size which could get neither cash nor credit to buy gas for two trucks—What was being given at that time for relief was being taken from moneys appropriated for the schools' expenses to the end of the year. They were diverting part of the money that should go to the school teachers to provide relief funds from time to time. They go on to say that they cannot get any further loan or overdraft at the bank and that "the city request the government to loan us our proportion." Out of a population of 2,340 only 25 were industrially employed at that time. Here is a letter from the Minister of Finance of British Columbia saying:

> Respecting your information that the federal government had offered to loan to the province an advance if necessary—

They got that from me:

> —my information is that the federal government will not loan to the province any funds in advance but only when actual vouchers for expenditures already made have been received at Ottawa.

That was a lovely idea to pass on to a city that had not any cash or could not raise

enough credit to buy gas for its trucks and was taking the school teachers' money in order to pay relief.

Later on under date of September 12, the Minister of Finance of the province, an able man, wrote:

> At the present time I am not very optimistic about securing the required loan from the federal government.

That was on September 12, five months after we had passed the legislation. He continues:

> The federal Prime Minister reserved decision until matters could be discussed with members of his cabinet in Ottawa. Decision on various other matters was held up also so it is somewhat difficult for me to state the exact position.

That was five months after we had voted the money in a hurry because it was urgently needed. Then we have the Union of British Columbia Municipalities, a large and important non-political body passing several resolutions in the last week in June. One asked that the provincial government apply for help under the so-called federal blank cheque, and demanded a clear cut statement from the government of its policy. We have been asking for a clear cut statement for two years. Resolutions were also passed that the provincial treasury should finance the municipalities, etc., and those resolutions were based on twelve facts, of which I shall mention a few: Unemployment steadily increasing; clothing, boots and shoes are becoming necessary; owners of property now housing the unemployed, owing to continued non-payment of rent, are being forced to take eviction procedings; electric light is being cut off; many municipalities have been carrying on direct relief through credit given them by local storekeepers, but storekeepers now find it impossible to continue giving this credit; banks will no longer extend the usual credits to some municipalities; the inevitable result of reducing to any considerable extent the amount of relief now being granted the unemployed will result in great hardship and consequent unrest leading to riot and possible loss of life and destruction of property.

That was not from some demagogue speaking in the house for political effect but from the Union of British Columbia Municipalities expressing the situation as it existed as of that date.

Let me show also what efforts I made in that regard. On June 15 I wrote to the Minister of Labour setting forth the situation and saying that I had seen in the paper that they were going to contribute only one-third. I pointed out the situation very much as I have outlined it here tonight. I did not get any answer to that letter. The minister told the hon. member for New Westminster (Mr. Reid) tonight that if he had made a casual inquiry at his department he would very easily have got the information he desired, but let me tell the house that when you write the Minister of Labour you are by no means certain that you will ever get an answer, and in my experience the chances are 99¾ per cent against your ever getting one. I think I have six letters unanswered now. In the absence of a reply from the minister I wired him on June 23, pointing out the really desperate situation in the small cities and begging for action and the appointment of a commissioner. Getting no answer I wired the minister again on July 19. I got an acknowledgment from one of his officials, but no answer except the statement that the federal government was going to contribute only one-third. I wired, as I say, on July 19, pressing the situation, and later I wrote the minister again. I might as well say while I am on the subject that I have three letters which I wrote to the minister on a very serious situation with respect to the old age pensions which also remain unanswered. I pause for a minute, Mr. Speaker, to wonder what kind of mental reservation the hon. gentleman made when he took the oath of office which allows him to repudiate and ignore reasonable representations made by members of parliament in matters of public concern. Representations are made to him by members elected by the people, the same as he was, and in some cases elected by even greater majorities. I say that, however, in passing.

I desire at this moment to quote a few articles from the press. These are not criticisms or editorials but plain items of news, just as would be the account of a fire. They contain no criticism of anything that has been done, but are, as I say, simply news items and are taken almost entirely—I would not say entirely—from the Conservative press of the province of British Columbia. Here is an article dated Vancouver, July 12:

> The executive of the Union of British Columbia Municipalities, meeting here tonight, decided to apply direct to Ottawa for a federal representative to study the unemployment relief problems of the province.

Another item states that the Victoria city council made the same representations and, further than that, the British Columbia gov-

ernment, not insulted or annoyed, backed them up, because the article goes on to quote the attorney general of the province as follows:

This request already had been sent to Ottawa without result.

Premier Tolmie had been in Ottawa trying to push the case of the province, and had been in consultation with Mr. Gordon. The articles goes on to state:

Hon. W. A. Gordon, Dominion Minister of Labour, this morning assured Mayor Leeming over the long distance telephone from Ottawa that he would immediately call together the unemployment committee of the federal government to consider appointment of a direct federal representative to investigate unemployment conditions in British Columbia.

Then we come to September 2, and find a dispatch from Victoria as follows:

The British Columbia government will ask the federal authorities to loan municipalities money for relief purposes. . . . No arrangements for federal assistance have been made for the coming fall and winter and the municipalities of this province will be quite unable to cope with the situation, according to the government's view.

In any case British Columbia wants above all to get a definite answer from Mr. Bennett as to his government's unemployment policy for the coming year.

There is a request for a statement as to the unemployment policy for the coming year, and I call attention of hon. members to the fact that the dispatch is dated September 2, when two-thirds of the year had gone. Certainly they were not unreasonable in their demands, were they? After two-thirds of the year had elapsed they were beginning to push and agitate for an announcement of Dominion government policy. Certainly they were not being what would be called exigent in the matter.

I have before me what purports to be a stenographic report of an interview with the Prime Minister when he visited Calgary on September 6, 1932. He is reported as having said:

I cannot say to you that the dominion will accept fifty per cent of the burden from May 1.

Then he goes on to give reasons, but does not say definitely that he will not or will do anything. The matter is left up in the air. In a dispatch of October 8, I find the following:

Hon. J. W. Jones stated yesterday the provincial authorities have not yet received word of the new federal policy on relief for western Canada. . . . During the day the government asked the federal authorities for early advices on its relief policy for the west.

That is on October 8, and I ask hon. members to recall that we left Ottawa around May 24 or 26. A dispatch of October 12 states that the Dominion government wired for information, and that the British Columbia government immediately wired the information—

In the hope that it would facilitate announcement of a federal relief policy . . . but all these plans are in abeyance pending an announcement of federal policy. Meanwhile the dominion owes the province nearly a million dollars on account.

I am not prepared to stand behind that last statement, and I would not contradict the minister if he says it is not so. I have had some experience in that regard. Then, on October 22, I find the following big headlines:

Ottawa assumes complete cost of big relief group.

Then in smaller type:

Dominion to take over British Columbia camps, moving single homeless men from cities.

That is the way it is put. Then the article goes on to state:

The commission has been selected by the federal government under Doctor W. J. Black, with the approval of the provincial government.

Then the article goes on to say that the Dominion government are going to take over provincial camps. Following that we find this interesting statement:

Nothing in this arrangement—

And this appears in the Daily Colonist.

—touches on the question of married men and other men with dependents, which, it is assumed, will be settled later.

They are hopefully looking forward to an announcement later than October 22. Then we have an item in a western paper received from Ottawa under date of October 26:

The government is not in a position to make any exact pronouncement of policy respecting unemployment relief but if any responsible provincial government officials report their inability to care for the needy within their jurisdiction the government will take adequate action, Hon. W. A. Gordon, Minister of Labour told the House of Commons this afternoon.

That is on October 26; and again I call the attention of the house to the fact that we left Ottawa about May 26. This article appears in the paper about five months later. The article to which I have just referred contains the expression: "responsible provincial government officials." What does he term a responsible official? They had been making representations right along; the Hon. Mr. Tolmie was sent to Ottawa. They had been wiring continuously, and making long distance telephone calls. On that date, however, that is all the minister had to say. I note also a statement that there are 20,000 single men,

and a total of 83,000 people, on relief, including dependents, in the province of British Columbia.

We will go back four days to October 22, and turn to an article from Victoria under that date:

British Columbia prepared today to open up unemployment camps on main roads throughout the province. . . . The Public Works Department is arranging to open camps which have been closed all summer and which will form the base for road work during the coming winter.

From this article we would conclude that something is to be done—at least it so states. We find however that nothing was done until nearly a month later. After begging, imploring, wiring and long distancing the government, we find that five months later they are going to do something; they are going to begin work just when the pitiless fall rains are coming on. People in the east talk about the harsh climate, but apart from a few days of extreme blizzards the eastern climate is far better for outside work in winter than that of British Columbia. That pitiless, penetrating, cold rain takes more out of a man, does more injury to his health, than a temperature of twenty or thirty degrees below zero.

These camps have been idle. The hon. member for New Westminster (Mr. Reid) was criticized for stating that no work was being done in the camps; I bear him out, and say that they were doing nothing. In the early summer they did work for some time, but when they found they could not get relief or assistance from Ottawa the work was cut down. The men were told they could stay in the camps and would receive two meals a day but no money for tobacco, and if they did not like it they could leave. That was the condition existing when I left home.

Time, that ever rolling stream, kept going on, and we find on October 31 the following article:

Plans for opening unemployment camps in many parts of British Columbia to house homeless single men from urban centres were shaped at a conference here today between members of the cabinet and Major J. G. Fordham's Unemployment Commission.

Then the article goes on to state that the commission will ask the federal government for $250,000 so that "an actual start may be made." Note that expression, "an actual start." A start had not been made on October 31. On October 27, a decision was arrived at to have a conference between the government and the commission on unemployment, and they were to decide what camps would be opened. An article under date of October 27 contains the following paragraph:

But apart from these matters the government is concerned with the delay on the part of the federal government in deciding who is to take care of single men in rural districts—

Note that.

—as they are specifically excluded from the control of the Fordham commission. It has no knowledge yet either what is to be done about maintaining married men in cities and in rural districts.

Premier Tolmie said today he was hopeful—

Mind you, he was hopeful on October 27; he must have been filled with optimism.

—the federal government would outline its policy on these important matters without delay so as to permit the province to make the necessary arrangements. Meanwhile municipalities are clamouring for some definite understanding on the whole situation.

Were they wrong to clamour? If they had taken more definite action I would not have blamed them. Then on November 4 we are informed that the British Columbia municipalities are to receive a share of the loan of $150,000 which the federal government is putting up. The further statement is made that out of seventy-eight municipalities twenty-five will have to have assistance. With this question so far settled, though as yet they had not gone to camp, the provincial government turned their attention to the problem of the married men remaining in the municipalities. Definite arrangements under which municipalities would care for these men, with federal and provincial assistance, would be made immediately, according to the announcement. The government proposed to budget the municipalities and tell each how much money it might expect for relief purposes during the coming winter. The problem of the care of married men in municipalities and married and single men in unorganized districts was "still under negotiation."

I may say that the idea of budgeting is a nice expression, but it means this: We are going to say to a city whose requirements are $5,000: "We will give you $3,000 and you can do as you like." They may say: "But we cannot get along with that much; we must have $5,000." Then we will say: "We will give you $3,000, and you can do as you will." So they must cut down still lower the amount per head or raise the money in some other way. And now we come to the culminating feature with regard to these single, homeless men going into camps. Something really has been done in this regard.

Mr. GORDON: I wonder if I might interrupt my hon. friend to ask if he has a copy of my telegram to Hon. R. W. Bruhn, dated May 6, 1932, or of my letter to Hon. S. F. Tolmie, dated May 7, 1932.

Mr. NEILL: If the Minister of Labour puts me in the position of having to stand in this house and say that letters and telegrams from myself went unanswered he can hardly expect me to produce letters or wires sent by him to someone else.

Mr. GORDON: I am merely asking if the hon. member has those copies. They would be very illuminating.

Mr. NEILL: I have not; neither have I any reply to the letters and wires I sent the minister. In any event, it is recorded in the Vancouver Province that on November 17 three hundred single unemployed men out of the twenty thousand in the province went to various camps; they really did go. Now I should like to deal with a point which is not directly the fault of the minister, but I want to ask him to use his influence because certainly he has a responsibility in connection with matters of this kind. The province announced that on November 3 they intended to have another conference with the union of municipalities; at that conference they were to announce that a fixed scale of relief for food would be enforced, not suggested or left optional. That is to say, the city would not be able to spend so much and have that amount augmented by the province; the province would say, "You will spend so much and no more." Here is the municipal food unit allowance as first announced: $9.50 per month for a married man, $3 per month for his wife and $2.50 per month for his child, and since that time it has been changed to only $9 for the man; $3.50 for the woman and $2.50 for the child. The unemployed are not certain to get even that sum, however; each municipality is to be told just how much it can have by way of budget, and that amount will not be sufficient to pay these allowances.

I should like to direct attention to that state of affairs. Surely matrimony must be at a premium, and those members who are single ought to become married, since in the opinion of the government of British Columbia a wife can be maintained for $3.50 a month. That is considered an appropriate sum in that province. From Greenland's icy mountains to India's coral strand let us spread the news abroad to a waiting world that in British Columbia in this year of grace, or I may say disgrace, the government of that province, encouraged or at least sanctioned by the federal government, proposes to allow a married man $3.50 a month for his wife and $2.50 for each child. That amounts to 11 cents a day for the woman and 8 cents a day for a growing child. I wonder how much that is a minute! We are told that this is going to be enforced, and they have announced that all the municipalities must accept that rate.

These are the conditions. I have been trying to show the trouble that has been caused by delay, and in these matters there is nothing more dangerous than delay. There is a Latin proverb of which the English translation is "He gives twice who gives quickly." If you tell a man you cannot do something or that you will do it on a certain day, that is something definite, but when you say it is up to the province and the province says it is up to the dominion and so on, it puts the men, and especially the married men, in a very desperate situation. That is the position today, which is to be relieved so far as the dominion is concerned by this $150,000, with which I will deal in a moment.

Now I should like to quote from the order in council which deals with these single men. It states that it has to do with single, homeless unemployed. It does not say single, destitute unemployed; they must be homeless. So far as I can make out, and I am not trying to quibble or attack the government unfairly—

Mr. SPENCE: Did you ever do anything but quibble?

Mr. NEILL: That is a matter of opinion.

Mr. SPENCE: That is my opinion, anyway.

Mr. NEILL: Then I am really sorry for my hon. friend, but perhaps I might be allowed to go on, Mr. Speaker. Apparently this will only apply to those known as car riders, those men who are floating around the various provinces riding on box cars. That will not apply to Vancouver island, because you can only reach Vancouver island by boat, and they have a guard on the gangplank. So we have none of this class on Vancouver island, which includes three-fourteenths of the province of British Columbia; at least it returns three members of parliament. What does that mean? I have a friend who owns a cabin, in which he lets two unemployed men stay. Must he throw them out on the street before they can qualify as single, homeless unemployed? They are not homeless. The word should have been "destitute". From the quotations I have read with regard to the government of British Columbia, apparently they accept the

interpretation that this only applies to those called car riders, that is, the floating population. But a man may be hungry even if he is single and has a ten by six shack. What is to be done about those people? We find the government of British Columbia saying they do not know, that they are hoping, and so on.

I must hurry on. Now the government have given $150,000 to the province to provide for those municipalities which have no money. That is a good idea, but that provision is only for November and December; it will end in five weeks. If it took six months to get this thing started how long will it take to get it extended?—because the unemployment will not end in December.

That is the situation; we are still getting only one-third, though we were promised one-half. There has been a delay of six months, and now this relief is given to the single men who will not qualify unless they are homeless. This is a burning question with us, because we have a number of single, idle men.

What is the policy of the government? That is what I am trying to get at; for goodness' sake give us a definite policy. What is the policy about the loans; what is the policy with regard to the single men throughout the country, and the married men? Above all, is the minister going to allow himself to become a party to this allowance of 11 cents a day for women and 8 cents a day for children? He may say, and very probably will say, that this is a provincial matter, but the responsibility cannot be dodged in that way. The other day the Prime Minister said he could not appoint a commissioner because this was wholly a provincial concern, but this government has given the province $4,000,000 or $5,000,000. Do you mean to say that they cannot exercise any jurisdiction over their own money, that they cannot say: "We are going to give you so much money, $4,000,000 or $2,000,000 or whatever it may be, but we have some right to see that it is spent in a reasonable way. We do not want to see destitute women being fed at the rate of 11 cents a day, or children at the rate of 8 cents a day." Do you mean to say that if the province were confronted with two alternatives, either to accept such reasonable conditions or to do without the money, they would not take it? The Prime Minister says the primary responsibility is on the province. If the province is not prepared to shoulder that responsibility then the province must be prepared to accept any reasonable conditions which may be imposed by the government granting the money.

Then will the minister not use his influence to stop this budgeting? That is a smooth phrase, but it simply means that the municipalities will be imposed upon. They have proved beyond question that they cannot carry on. Now when they want $5,000 they will be given $3,000 and told to stretch it out as far as they like. They cannot stretch it to that extent.

The other day the hon. member for Vancouver Centre (Mr. Mackenzie) asked a question on the orders of the day, which was answered very gracefully and very pleasantly by the minister, who said:

> I am confident that no one in this country need worry about being adequately supplied with food, fuel, clothing and shelter.

Food at 11 cents a day? This is no time for honeyed words and well-turned phrases; it is a question of dealing with the situation. On another occasion the hon. gentleman said:

> The policy this government will adopt will be made manifest from time to time.

That is not a policy; that is opportunism—"from time to time." It is a matter of hand to mouth. A policy is a definite, prearranged, decided plan of which everyone is appraised and by which people can govern themselves. If the government do not formulate a definite policy for the coming winter and do so immediately, they will work a grave injustice to the government of British Columbia, their own political friends, and to the municipalities which are really in a desperate condition, as well as to the taxpaper who does not know where he is going to get off at. Lastly, it will work a grave injustice to the destitute people in the country who do not know from day to day just what they may expect. Whenever a man says to me, "I have had only so many days' relief," I have to tell him that the government changes its methods from week to week and I am therefore unable to say what their policy is. Let the government of British Columbia stick to one policy. There is a good man there in the person of Doctor Black. Give him adequate powers to dominate the situation and to do whatever is necessary; otherwise the situation will become quite desperate.

Mr. C. E. BOTHWELL (Swift Current): I rise to speak on the unemployment question because I believe that unemployment and farm relief is the most important and urgent matter before this parliament in the present session. There was a time not so long ago when most people in this country believed that the unemployment situation was merely temporary, but anyone who has given any study to the matter must long ere this have

come to the conclusion that the situation will exist in Canada for some years to come.

During this session figures have been given in the house to show that an analysis of industry in the United States, and the improvement that has been brought about in the use of machinery, and other economies effected, indicate that if they wish to produce in that country the same quantity of goods today as they produced in 1929 it would require only fifty-five per cent of the employees that were engaged at that time. That means that at the peak of production in the United States fifty-five per cent of the employees engaged in 1929 could now produce the same quantity of goods. I presume that will hold good so far as Canada also is concerned, and if that is so it means that we are facing a problem of some years' duration.

I am under the impression that the government thought when they came into power that the policies they were putting into force would have the effect of ending unemployment. After two and a half years of these policies, however, they must have come to the conclusion that they will not meet the situation. The Prime Minister and all those associated with him must realize, I think, that these policies of high tariffs, of Canada for the Canadians, will not improve matters. I hope that during this debate someone will be able to offer to the government some ideas that will help to alleviate the condition in which thousands of our people now find themselves. There is at present a great deal of dissatisfaction not only among the unemployed but also among the agricultural classes. Unemployment as I see it is linked up with the problem of farm relief. We are not going to be able to employ all the people in this country who are now idle, industrially; we shall not be able to do so for many years to come. It seems to me therefore that the more closely we can get back to the production of the necessaries of life the easier and cheaper it will be for us to support these people.

Now, the back to the land movement is all right so far as it can be worked out, but I believe there is another means of getting people back to the land which is a little different from what the Minister of Labour has so far carried into effect. I have visited different farms in Ontario and have inquired of farmers why such and such a piece of work has not been done, why improvements have not been made here and there, and they tell me that the reason is that they are not able to hire men to do the work. One fellow said to me, "There are thousands of things to be done around this place but I am not able to employ men to do that work." He told me that in the adjoining town there were now many persons on relief and thousands on relief last winter. In years gone by, he said, there would be dozens of men calling at that particular farm to get jobs in the spring of the year. This year not a soul has called looking for work. I talked with another fellow a few miles from that place and he told me that there had not been a man on his farm in the last two years looking for work. They are not looking for work on the farms because they are getting relief in the towns and, as I understand it, in many towns once they get off relief they have difficulty getting back. This particular farmer said, "We have any amount to eat, any amount of room, and we need to have the work done; but we are not able to pay wages." I asked him whether it was not possible to get men to come and live on the farm even without wages instead of living on relief. He replied that he supposed it would if an arrangement could be made to get the men to come out. He told me that he had gone to the employment office this fall and asked the man in charge whether he had any spare men. The man in charge replied in the affirmative; he told him that there were any number of men available, and he gave him the names of some of them. The employment officer knew this man was a farmer. The farmer went to one man, of three whose names had been given to him, and at eleven o'clock in the morning this man was still in bed. He came down however to interview the farmer. He asked what work he would have to do. He was told that around the farm there were numerous things that needed to be done but, said the farmer, just now a man was needed to pick apples. This man replied, "I don't know anything about picking apples; I know nothing about farming." He was an electrician who had been out of work a year and a half and had been on relief. He said he might get a job at his trade and therefore he did not want to go on a farm. The fact was he did not wish to go off the relief that he was getting in that particular town, and the result was that the farmer went no further to look for unemployed men but hired neighbour farm boys on whom he felt he could depend.

I believe that any number of men could be placed on the farms if we had a commission or committee or some organization that would be able to get the facts and to put them in proper form. I would suggest that in these townships throughout Ontario, throughout the rural municipalities and in

the agricultural districts, assessors or somebody connected with the council should be required to make inquiries and find out what farmers can take on men and have them housed and fed. We could possibly make arrangements later on to give them a few dollars for clothing. It is quite possible that many farmers can pay a few dollars, but not to the extent of standard wages.

In connection with relief there has been considerable dissatisfaction and annoyance caused to the different municipalities because of their being required to take care of people belonging to other municipalities. I think it would be advisable to have every man registered. He should be obliged to give the particulars of his life and where he has been working for the last two or three years. He could then be allocated to the province where he has lived, say for the last full year. As far as the municipalities are concerned, the man could be allocated to the particular municipality in which he had lived for, say the last six months. Our municipal acts provide that the cost of taking care of destitute sick shall be charged to the municipality to which they belong, but so far as taking care of other destitute persons, no provision is made, at least in our province. I quite realize that a constitutional question is involved as between the dominion and the provinces, but the Prime Minister has told us that he intends to call a dominion-provincial conference, and it should be possible to have this matter discussed at that time. The provinces could pass the necessary legislation so that these people could be allocated to their proper municipalities and the cost of any relief charged to those municipalities.

Linked up with the question of unemployment, which I look upon as being national in scope, we have another situation which pertains particularly to western Canada. The farmers there are in very distressed circumstances. I have lived in the west for most of the past thirty years, but it is only during the last year that I realized how hopeless the situation is for many of the settlers on the prairies. They have debts which were incurred when wheat was selling at one dollar or better per bushel; at the time they borrowed their money they got one dollar's worth of value, but now, with the prices of commodities what they are, they have to pay the equal of four dollars for every one they borrowed. I am not figuring in the interest in this computation. So far as the man who loaned the money a few years ago is concerned, when he loaned a dollar he loaned only a dollar's value, but today every dollar he gets back is worth two dollars in commodities—I do not say four dollars because there is the middleman's profits and overhead to be considered. Is it fair that the agricultural class should be asked to bear this burden and that the man who loans the money should get back twice what he loaned in addition to the interest? I believe an adjustment should be made, and it is the duty of this government to take the lead in making that adjustment. This matter might very well be discussed at the proposed dominion-provincial conference in order that some solution could be worked out. I can state quite frankly that those debts are not going to be paid; the man on the land cannot pay them and he is left in an absolutely hopeless position. We might as well start something which will permit him to see the end of the road because he has now reached the stage where he has given up all hope. I realize that the federal government cannot undertake this matter by itself, but I believe that the provinces and the dominion could work together in solving this problem. This situation is linked up with the serious one of unemployment.

I rose only to pass on these suggestions to the government. We on this side of the house believe that the policies of this government have aggravated a system which was already all too serious. Hon. members opposite believe in that policy, but notwithstanding their belief in it I know that they want to work out a solution of this national problem. Surely after two years and a half of these expedients—dilly-dallying, as some hon. members have described it, a committee of this house, a commission or some body should be organized to take hold of this situation of unemployment and farm relief and endeavour to work out a solution. I am sure that every hon. member in this house speaking on this particular question does not do so from the standpoint of politics; I believe he is making a sincere effort to help his fellow men and I am sure that if a committee or other body was set up, all members from all parts of the house would give every assistance in their power in the solving of this difficulty.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, entirely too much time of this session has been taken up in discussing a matter of comparative unimportance. No doubt trade treaties and imperial agreements are of importance—let us hope that they will lead to something worth while to the future of Canada—but important as these things are, I do not regard them as being sufficiently so

to occupy six weeks of the time of this house when practically no consideration has been given to such vital and emergent issues as unemployment and the condition of agriculture generally throughout Canada. No doubt the debate in connection with the imperial conference was interesting to those who think that the tariff is the key to the door of prosperity and that unemployment, international trade, the prices of agricultural and other commodities and the problem of debts are all problems which can be solved by the raising or lowering of the tariff by a certain per cent. I have no desire, of course, to speak slightingly of that which other hon. gentlemen regard as being of very high importance; it is perhaps true that the problems which I have enumerated are affected to a greater or lesser degree by the tariff, but I press the conviction that however important the tariff policy may be, it will not remove the economic causes of unemployment; it cannot be a substitute for a sound monetary policy, nor can it take the place of planned economy. Above all, it cannot in any sense meet the present emergent situation in respect to either unemployment or agriculture. I think it is safe to say that the people are not, or at least of late have not been, much interested in the imperial conference; not that they do not desire imperial trade, but because other matters more urgently claim their undivided attention. No possible agreement with Great Britain can lead to the absorption by that country of Canada's yearly output of goods. So that if the people in general have not shown such enthusiasm about those agreements as have some hon. members, it is not to be wondered at.

The discussion on unemployment, which has just taken place, has, I think, helped to impress upon the house the need for action. The motion of the hon. member for North Winnipeg (Mr. Heaps) was timely, affording the government, as it did, an opportunity to state its policy on unemployment. If the discussion had brought out nothing other than the statement of the Prime Minister (Mr. Bennett) it would have been well worth while. I do not regard the policy of the government in respect to unemployment as adequate, but I am glad that it has announced some policy and that we may hope, as conditions become more and more acute, the government which has taken at least one intellectual step may in the near future be led to take a definite and practical step. The Prime Minister, as is customary with ministers who deal with unemployment questions, was very careful to point out the constitutional difficulties that stand in the way of a practical policy of unemployment insurance, and once more to emphasize that the Dominion government, has not control of the unemployment situation, but that constitutionally such matters belong to the various provinces. He has promised, however, that during the recess and prior to our reassembling in January, he will call a conference of the provinces and they will be asked to come to some decision on the matter of unemployment insurance.

The principle of unemployment insurance which the Prime Minister endorses is one which is commonly called a contributory system. I suppose most people will agree that it is, at least for the time being, perhaps the best policy to adopt, but may I point out to my right hon. friend that the 750,000 or more in Canada who today are living very largely either on charitable doles from institutions or on direct relief from the government, are not in a position to avail themselves of a contributory insurance scheme, even if that were introduced tomorrow. So that while the government's policy of unemployment insurance may be all right for those who are employed, it is useless for those who are not. Surely it is clear that men who are on the dole, men who are begging on the streets, cannot undertake to pay insurance premiums against unemployment. It may be all very well to have such a policy, but my point is that it does not meet the situation of the moment, neither does it meet the situation of the future in its entirety; for taken at its best, unemployment insurance is merely a palliative which, by the way, has been tried in Great Britain for a considerable time and, it would appear, has almost outlived its usefulness in that country and will ultimately be discarded for a policy much more fundamental and far-reaching. At the present time in Canada it might be well to have as a transition palliative a policy of insurance, but to ask men who have been unemployed for two years or more and who, so far as we can see will have no opportunity of being employed in the future, to make a contribution to insurance, is merely to utter an absurdity, for it cannot be done.

Let us now turn to another phase of the question, and that is the one which I think should concern the government and parliament much more than even unemployment insurance. I refer to some way of meeting the unemployment problem at its source and taking constructive steps which may ultimately lead to eliminating what is known today as unemployment. In the meantime the government of the day, having to face such prac-

tical difficulties in respect of unemployment, should be looking around for some means by which those who are unemployed, instead of being given small doles that are not sufficient to keep them alive, should be employed in a really wealth producing enterprise. From this section of the house we have before now urged that policies, say of house building, road building, and other useful projects, might be undertaken by the state, which, whatever else they did, would leave the country wealthier than before. This would at least give the unemployed some place in which to live and a greater assurance of security, rather than have them disgruntled as they are, mere beggars for the state's scanty recognition. Instead of being indigents they would have the opportunity of producing such goods as would add to the national wealth; and their manhood would be sustained by the feeling that they were rendering to the country service for anything they would get in return. I suggest that not as a conclusive and all-embracing policy, but as an example of the measures that could be undertaken. I submit that is a much sounder policy than that of making loans of public moneys to private institutions in order to coax them to employ men. If such a policy is followed, we shall always find private institutions which will be very glad to take advantage of it. But I do not wish to say anything more on the unemployment situation.

I want now to ask the house to give some consideration to the agricultural phase of our national problem. I should like to ask that the government state frankly to the house during this debate what its policy is to be in respect to the pressing problems of the farmers of this country. In that regard we must take into consideration the question that is troubling them more than anything else at the moment, and that is the prices which they are obtaining for their produce. Arising out of that very much reduced income, there comes the problem of how they are to meet their financial obligations from day to day; the interest on the borrowings which they had made prior to the slump in farm prices; taxes; the maintenance of their standards of living —in short, all the problems that confront an agriculturist in Canada under present circumstances. I do not need to inform either the government or this house of the conditions of agriculture in detail. I feel sure that the hon. gentlemen who sit on the treasury benches are just as well acquainted with the facts as I am. I could therefore not hope to enlighten them at all. But I do wish to make another plea with them for a more practical consideration of the question than they have hitherto given it.

The prices of farm products are, as will be admitted by all, the measure not only of the farmer's income but, as things are in Canada now, of the economic security of the nation. It has long been recognized that the agricultural industry is without exception the most important to Canada, and when we find that that industry is completely prostrate it is no wonder that conditions of unemployment and of business stagnation prevail throughout the country. It is safe to say that for the last two years the income for agricultural products has not been sufficient to meet operating expenses, and I think that that is a very conservative statement. It must not be forgotten, either, that many farmers were heavily in debt at the time farm prices slumped. Those who were heavily in debt then are now hopelessly in debt; for during those years not only have they been unable to reduce their indebtedness by paying off anything on the principal, but interest and compound interest has been added to the principal. Many of them have also been unable to pay their taxes. There were many perhaps who, when prices slumped, were not in debt, and it may be that a few of them have been able to remain out of debt, but if they have done so it has been at the expense of their standard of living, which must have been very much reduced, and by selling their stock. In these ways some have struggled nobly to keep themselves out of debt.

As I say, this house is in possession of all the facts in respect to agricultural conditions The situation has become so critical, however, that in some parts the farmers threaten to go on strike by refusing to produce next year's crop unless something is done to relieve their burdens. In that connection I may be permitted to read a telegram which came to the hon. member for Acadia (Mr. Gardiner), a few days ago from Rumsey, Alberta. It says:

> A mass meeting of the farmers of Rumsey district demands an immediate bonus on wheat either bushel or acreage plan; the immediate abandonment of the gold standard and the appointment of a national board to control production and marketing of all agricultural products. Plans for complete strike of industry to be pushed unless demands met.

I do not argue, Mr. Speaker, that a threatened strike of farmers has become general throughout Alberta or throughout western Canada, but that wire shows what some of them are thinking, and it indicates that the situation is surely of such significance as to warrant this house and the government giving a great deal more attention to the situation than has been paid to it so far this session.

I have here a number of resolutions which I received, some of them only today, dealing with urgent conditions in western Canada. Here is one I received from Mr. H. G. Laycock, of Ponoka, Alberta, who happened to be secretary of a mass meeting that was held in that town:

Whereas, several months have elapsed since Mr. H. H. Stevens promised sympathetic consideration to Mr. Speakman's resolution re the formation of a council of Social and Economic Research, and whereas the need for such council is daily becoming more imperative;

Therefore be it resolved that the federal parliament implement that promise by establishing this council and setting it to work.

Here is another resolution passed by the same body:

Whereas the price of agricultural products is far below the cost of production;

And whereas most of the producers of primary products are heavily involved in debts;

And whereas at present prices we are in a hopeless position to carry on;

And whereas the extremely low prices of primary products is to a very great extent due to our present monetary system;

Therefore we request at once—

Will the government kindly take note of the time element in this resolution:

Therefore we request at once dominion control of currency and credit, and that the issue of this currency and credit should be based upon the natural wealth and productive capacity of this country, not, as at the present time, upon one single commodity, gold, and that its volume should be determined by the goods and services to be dealt with and the legitimate requirements of the people.

Those resolutions, Mr. Speaker, are symptomatic of the general opinion that prevails throughout western Canada. The house has taken no action on those conditions so far during this session. My object now is to urge the house and the government to action. The Prime Minister during the last election campaign wisely said, in effect, that it was unthinkable that in Canada, where there is such an abundance of real wealth and only ten millions of people, anybody should go hungry or idle and without reasonable economic security. I am as convinced now as I was then that the Prime Minister was right in that view; nevertheless there are hungry and idle people by the hundreds of thousands in Canada, and not only are there idle people whom we call the unemployed, but there are debt-burdened people who are being threatened with eviction right across this country because they are unable to meet their financial obligations. So the situation today is many degrees worse than it was when that observation was made by the leader of the government.

I frankly admit, Mr. Speaker, that the government has worked strenuously and the Prime Minister heroically to try to meet the situation along the old lines. His efforts have all been directed along the old channels, which do not lead directly to the root of the problem. Neither the Prime Minister nor the government has explored new ways, and yet new ways will have to be found; for the old ways are inadequate. Surely I do not need to argue to this government that the old ways will not do; for have they not tried them well? Did any government ever try them with more sincerity or show more ability in their application than this government? Did any government ever try the old ways with a greater amount of faith than this government has had, and meet with greater failure?

What are the facts? The measures which have been employed to meet the economic situation in Canada have been measures which were to a certain extent successful in past generations, but faced as we are with a new problem arising out of an entirely different situation those methods are not longer applicable. What I say to the government and to the house is that we must either make capitalism yield life and security to our people, or we must abandon it and begin to build a new system on the foundation fact of abundance. So far as I am concerned I would not spend one hour of my time trying to patch capitalism. I know, however, that the government still holds the view that that system may be resuscitated and made to function. Holding that view, as they do, I must hold the government responsible for making the system work, and if they cannot make it work I suggest that they frankly say so, abandon it, and build another system on the foundation of that abundance which is the most startling and important fact of the economic life of the modern world.

I now come to another phase of the agricultural situation. A very large percentage of our farming population have obligated themselves to pay the loans advanced to them in the ordinary course of their business, namely in the purchasing of land or to meet the cost of goods obtained on credit. These obligations were undertaken prior to the great slump in prices of farm produce. Not only has that obligation been made larger by the interest compounded during the last several years—that in itself would be serious enough—but in the terms of prices of commodities in which a loan payment is possible, the debt is two or three times larger than when contracted.

That condition came about for two reasons. The first is obvious to everybody, namely, that the overproduction of farm products reduced their value in relation to other commodities and in relation to debt values. That

is the first. I am not going to charge the government with the responsibility for overproduction of wheat, but I do charge them with failing to act in connection with the other factor which enters into the matter, namely, that of deflation. When the present government came into office Canada was proceeding steadily along a policy of deflation. Until last week we continued to follow that policy. What has been the effect of it upon parliaments—yes, and upon people—who find themselves in debt? Our dollar may have been sound, but it was not honest, and in my view an honest dollar is of much greater importance to the life of the nation than is a sound dollar. A dollar which equalled one bushel of wheat a few years ago when farmers accepted financial obligations has been stretched to equal three or four bushels of wheat. That is not an honest dollar. The dollar has been very accommodating, so far as stretching is concerned, but outside of that it is nothing to be proud of. I believe the question concerning the honesty of our dollar is of such importance that this parliament cannot afford to ignore it. When we have a situation such as I have just mentioned; when through the manipulation of credit by those in charge of it—which, by the way, is not the government—the value of the dollar can be altered so as to increase two or three fold the debts of already overburdened farmers, we are confronted with a problem the importance of which cannot be over-emphasized. Unless the values of commodities, with which alone these debts can be paid, are brought to a parity with commodity values equal to those obtaining when the debt was contracted, it is simply impossible for those debts to be paid. The farmers did not enter into a contractual obligation to give three bushels of wheat for one. I agree with hon. members who state that contractual obligations are sacred, but I argue that the contractual obligations which farmers entered into when they obtained loans a few years ago cannot now be interpreted to mean that they must pay those loans in three times the value which pertained when they received them. I maintain a system which demands that that be done is dishonest and cannot be defended by anyone. Values have departed, in very large degree, from farm investments, just as they did from investments on the stock market. The unpaid interest compounded and added to the principal, plus the increase of debts through deflation, plus the unpaid taxes which have resulted from the unfavourable economic conditions of the past two years, have brought the farmers of western Canada to a very serious position.

Mr. DEPUTY SPEAKER: It is now eleven o'clock. Does the hon. member wish to move the adjournment of the debate?

Mr. IRVINE: Yes, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

## ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: Before the house adjourns I was going to ask the right hon. leader of the opposition whether he would think it desirable to adjourn until eleven o'clock tomorrow morning; if so I should be pleased to move accordingly. If there is any likelihood of concluding the business of the house this week we might sit at eleven o'clock tomorrow morning; if not we might as well wait until three o'clock. I shall be guided by whatever the right hon. gentleman has to say.

Mr. MACKENZIE KING: I wish I could give the right hon. the Prime Minister some assurance as to the length of time hon. members may require, but I am afraid I cannot do so. Personally I had hoped we might conclude this week, but I am afraid I cannot give my right hon. friend any undertaking in that regard.

Mr. BENNETT: I did not expect the right hon. gentleman would be able to do that.

Mr. MACKENZIE KING: I may say, however, that hon. members on this side will be agreeable to whatever the right hon. the Prime Minister may decide or wish to do.

Mr. BENNETT: That being the case I move, seconded by Mr. Rhodes:

That when this house adjourns it stand adjourned until eleven o'clock tomorrow morning (Thursday).

That, of course, is with the consent of the house.

Motion agreed to.

Mr. MACKENZIE KING: What will be the first business?

Mr. BENNETT: I think the right hon. gentleman realizes the first business is now the last business. We will continue with what we are doing, and when that is concluded and the Speaker leaves the chair the Minister of Finance will continue with the resolutions.

Mr. MACKENZIE KING: Today we proceeded first with a bill; I was wondering if tomorrow we would go on with the redistribution measure.

Mr. BENNETT: I was prepared to take only second reading of the bill on Tuesday of last week, but, as I stated to the house on that day, the hon. member for Shelburne-Yarmouth asked that it be not then proceeded with. Subsequently the hon. member sent me a note to the effect that it would be satisfactory to proceed on Wednesday, but I did not receive the note until the Wednesday had passed. I think it would be better to dispose first of what may develop into a protracted discussion than to take the representation bill, which can probably be dealt with in a very short time, because in that connection I shall make the ordinary motion to refer it to a committee, which has heretofore been done. The bill is exactly in the form of the bills presented on the two previous redistributions, and it is proposed to follow the same course. The bill will go to a committee of the house, to be named either when the bill is referred or later, as was done on the last occasion. It is proposed to proceed with ways and means immediately the Speaker leaves the chair.

At 11.02 p.m. the house adjourned without question put, pursuant to standing order.

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## Thursday, November 24, 1932

The house met at eleven o'clock.

### UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): I lay on the table of the house parliamentary return, reference No. 43, inquiring whether any amounts have been paid by the Dominion government to the province of Quebec for the year 1932 as a federal contribution to provincial direct relief expenditures for Lake St. John county, Quebec.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

SUPERIOR COURT, KAMOURASKA

Mr. LAVERGNE:

1. When will the government fill the vacancy which occurred recently on the bench of the Superior Court, judicial district of Kamouraska?
2. Have any complaints been made in view of the congestion of the dockets resulting from the existence of such vacancy?

Mr. GUTHRIE:

1. In due course.
2. One letter has been received upon the subject.

WAR DEBTS

Mr. CASGRAIN:

1. Does Canada owe any war debt to the United Kingdom at the present time?

[Mr. Mackenzie King.]

2. If so, what is the amount of such indebtedness?

Mr. RHODES:

1. No.
2. Answered by 1.

POST OFFICE DEPARTMENT—DISMISSALS

Mr. POULIOT:

What are the names, addresses and dates of dismissal of the employees of the Post Office Department, who were dismissed on charges of political partisanship arising out of the provincial elections in the province of Quebec?

Mr. SAUVE:

Post office—Postmaster—Date of dismissal:
Batiscan, W. Moreau, March 3, 1932.
Boulanger, A. Larouche, March 8, 1932.
Knoxbridge, E. Couture, January 11, 1932.
Lac Ste. Croix, A. Duchesne, March 10, 1932.
Le Petit Bois Franc, M. St. Pierre, August 13, 1932.
Normandin, J. B. Hebert, March 12, 1932.
Ruisseau à l'Eau Chaude, A. McLaughlin, August 20, 1931.
St. Jacques, J. Levesque, April 15, 1931.
St. Norbert (Berthier), J. O. Laporte, December 16, 1931.

NATIONAL DEVELOPMENT BUREAU

Mr. FAFARD:

1. Is National Development Bureau to be transferred to Trade and Commerce, and if so, to which branch of that department?
2. If not, is it a fact that some highly paid officers of said Interior department are to be absorbed by Trade and Commerce department?
3. What duties would be assigned to these officers by the Department of Trade and Commerce?

Mr. BENNETT: I think it well to direct attention to this question, which is not a proper one. It asks what the government proposes to do or is going to do.

Mr. SPEAKER: Question dropped.

### QUESTION PASSED AS ORDER FOR RETURN

RESIGNATION OF POSTMASTERS

Mr. POULIOT:

How many postmasters have resigned since the month of August, 1930, after having received a letter or circular from the Post Office Department notifying them that complaints of political partisanship had been made against them?

### MOTIONS FOR PAPERS

ST. BENIOT DE PACKINGTON, QUE., POST OFFICE

Mr. POULIOT:

For a copy of all telegrams, correspondence, reports and other documents in the possession

of the Post Office Department, since the month of August, 1930, with respect to the postmastership of St. Benoit de Packington, Témiscouata county.

MISS RUTH EDWARDS

Mr. GAGNON:

For a copy of all letters, requests, correspondence and other documents, exchanged between the Department of Agriculture at Ottawa and the different branches of the Department of Agriculture in the different provinces of Canada with the Civil Service Commission at Ottawa, and between the different officers of the Department of Agriculture concerning the transfer from Ottawa to Montreal and elsewhere of one Miss Ruth Edwards who is now working in the Department of Agriculture, Seed branch, Montreal, since 1925 up to now.

MISS MARGUERITE GIRARD

Mr. GAGNON:

For a copy of all letters, requests, correspondence and other documents, exchanged between the Department of Agriculture at Ottawa and the different branches of the Department of Agriculture in the different provinces of Canada, with the Civil Service Commission respecting the employment and promotion of one Miss Marguerite Girard, an employee of the Department of Agriculture, Seed branch, Montreal, since 1925 up to now.

## INQUIRY REGARDING QUESTION

On the orders of the day:

Mr. E. J. GOTT (South Essex) : I wish to call attention to the fact that a question of mine which was on the order paper yesterday has been dropped, although it was not answered. I should like to have it restored to the order paper.

Right Hon. R. B. BENNETT (Prime Minister): It was made an order for return and passed accordingly.

## RELIEF TO PENSIONERS

INQUIRY CONCERNING READJUSTMENT OF WINTER AND SUMMER ALLOWANCES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): The other day I asked a question of the Minister of Pensions and National Health with regard to the relief given to disability pensioners. I have a further wire from Winnipeg today, as follows:

Winnipeg pensioners without food, insufficient fuel and clothing. Many children unable to attend school. Immediate increase in relief plus clothing allowance needed.

I understood the minister to say the other day that the department had not been granting clothing but that the pension allowance was equal to that paid in the cities. I am informed that this is not so. May I ask the minister whether it would be possible to have the allowance increased to the extent of the decrease last spring.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Will the hon. member give the signature that appears on the telegram which he has read.

Mr. WOODSWORTH: The telegram is signed, "D. H. Niles, Disability Pensioners Association, 504 Beverley St."

Mr. MacLAREN: The question asked by the hon. member for Winnipeg North Centre the other day had reference to clothing, and when I replied on that occasion I did not notice that that feature was included in his question. I subsequently sent an answer to the hon. member, to make it clear that the provision did not include clothing and that the department had never furnished clothing for pensioners. If the hon. member will now kindly send me a copy of the communication which he has just read, I shall be pleased to look into the matter.

Mr. WOODSWORTH: The telegram will appear in Hansard.

## TRADE AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM

COMMITTEE OF WAYS AND MEANS TO CONSIDER TARIFF RESOLUTIONS

On the order:

Resuming adjourned debate on the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means.

Mr. SPEAKER: Will the hon. member for South Cape Breton (Mr. MacDonald) please take the chair.

The house in committee of ways and means, Mr. MacDonald (Cape Breton South) in the chair.

Mr. IRVINE: May I point out that I have the floor.

Mr. BENNETT: On ways and means, on Thursday, the Speaker leaves the chair automatically. I said yesterday, when the matter was raised with respect to supply, that the

rule is clear with respect to ways and means that the Speaker must leave the chair on Thursdays and Fridays without motion put. The Speaker has done so.

Customs tariff—77. Beans, viz.: Tonquin, crude only; locust beans; locust bean meal: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Hon. E. N. RHODES (Minister of Finance): If it meets with the approval of the committee I suggest that unless there is some special reference which it is desired to make to those items considered when the bill covering the United Kingdom agreement was in committee, we should deal with items which were not dealt with at that time and which have to be dealt with as a consequence of our having dealt with certain items in connection with the United Kingdom bill. For example, item 77 covers beans, viz: Tonquin, crude only; locust beans; locust bean meal. This item which will be found as part of the resolution which appears in the votes and proceedings of October 12 is the residual of item 77b passed in connection with the United Kingdom agreement and which was taken out of the original item 77.

Mr. MACKENZIE KING: I should like to ask the minister whether in his view it is necessary to pass in committee of ways and means the items which have been passed already under schedule E attached to the British agreement, or whether it is his view that in approving of the United Kingdom-Canada agreement and the other agreements, this house, once these measures have passed the Senate and assent is given to them, will not thereby have enacted into law the rates set forth in those acts?

Mr. RHODES: Oh, no, it is essential that we should pass in committee of ways and means the various tariff amendments. The governing law is that which will be found in the bill to be based upon these resolutions to be passed in committee of ways and means. I referred to these special items in order to point out that the discussion which took place when the bill was in committee would serve equally as well for the committee of ways and means. It is quite necessary that we should pass all these items. My right hon. friend will recall that when the bill was in committee I expressed the hope that we would not duplicate the discussion at that time when we reached committee of ways and means.

[Mr. Woodsworth.]

Mr. STEWART (Edmonton): Some of these items do not appear to be changed, and I should like to know whether or not every item is intended to show a change from the schedule in effect.

Mr. RHODES: As I explained in connection with item 77, portions of certain tariff items were extracted to form part of the United Kingdom agreement and it is now necessary to make adjustments in committee of ways and means. As we come to the items which must be considered in ways and means and which are in addition to those considered in connection with the bill, I shall direct the attention of the committee thereto.

Mr. STEWART (Edmonton): Am I correct in understanding that where an item has been split and a portion has appeared in schedule E, it is then necessary to readjust the balance?

Mr. RHODES: That is quite right; it is necessary to deal with the residual.

Mr. BROWN: Am I correct in understanding that there are no items in this resolution except those which were dealt with in connection with the agreement with Great Britain?

Mr. RHODES: There are only technical amendments or amendments necessary because of the articles already passed as part of the United Kingdom agreement.

Mr. BROWN: There seems to be at least one item here which has reference to the New Zealand agreement made last year. I shall direct attention to it when it is reached.

Mr. MACKENZIE KING: I understood the minister to say on a previous occasion that if the house itself were to pass a measure involving changes in customs duties without going into ways and means, the duties thus imposed would be binding at law and that it would not be necessary to go into ways and means in order to make an agreement respecting duties with another country. I have all along understood the contention of hon. gentlemen opposite to be that the Liberal administration did that very thing when we were in office, that we made agreements with other countries which were approved and became law without the house considering the tariff changes involved in committee of ways and means. Is that what the minister is still contending?

Mr. RHODES: I am not calling into question any circumstances as I do not think it is necessary for us to deal with procedure at this moment. However, I have no objection to answering my right hon. friend. If my memory serves me right, we dealt with one or two items in connection with the New Zealand treaty, which items were contained in the bill and in connection with which the house did not proceed into ways and means. I may be wrong, but that is my recollection. Whether or not that be so, the fact is that it is absolutely essential that we should go into committee of ways and means, not only to carry out the tariff proposals which were provided for in the United Kingdom agreement but to make the necessary adjustments to the tariff schedule in connection with certain items which were taken from the parent items. That is why I directed attention to item 77, and I shall be glad to call specific attention to each individual change which has been made in addition to those already considered. It will be recalled that I pointed out some time ago that there were some forty items or portions of items which we must consider in committee of ways and means as a consequence of passing the items in connection with the United Kingdom agreement.

Mr. MACKENZIE KING: There is something more than the mere question of procedure, there is the question of whether or not it is necessary to go over the items which were included in the schedules attached to the bills already approved.

Mr. RHODES: I think I get my right hon. friend's point. Technically, we should go over each item but my right hon. friend will recall that when we went into committee on the bill I pointed out that if we took the discussion there it would not be necessary to repeat it. It will be only necessary to deal with the other items and then pass the whole lot, unless there is some particular item to which hon. gentlemen wish to refer. I have no desire to limit the discussion but I should like to avoid unnecessary duplication if it can be avoided.

Mr. MACKENZIE KING: I think that which the minister has just said brings out the point I have been trying to make clear all along. My hon. friend now says that technically it is necessary to go into committee of ways and means on every item. I say that the principle governing the imposing of any duty makes it necessary that that duty shall be imposed only as a result of a resolution coming from committee of ways and means, and that it can only be imposed where a resolution has been recommended to the committee by a minister of the crown who has the authority of His Excellency in the first instance to make that recommendation. The minister says that he thinks on some previous occasion, possibly with reference to New Zealand, we never had a committee of ways and means to consider the tariff items—

Mr. ERNST: It was done in the budget.

Mr. MACKENZIE KING: —and if that be the case, I would say it is because no duties were being raised or any additional burdens being placed on the people or that the duties had already been considered in committee of ways and means as a part of the budget, or else that there had been a complete oversight on the part of all parties in the house as to what its rules require, an unintentional oversight and something with respect to which no question has been raised.

I hope the minister will now see that what I have been saying all along, namely, that we should have proceeded in committee of ways and means in the first instance, and that it is only when we have in ways and means approved the resolutions that we can with propriety legislate to approve agreements based upon those resolutions, is the right course to pursue. May I direct my hon. friend's attention to standing order number 60. This is not a question of procedure but a question of principle which governs the imposition of burdens upon the people. Standing order 60 reads:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

And section 551 in Beauchesne's Parliamentary Rules and Forms has the following, which is related not to the British procedure, but procedure in this House of Commons:

> It is a fundamental principle that no resolution or amendment to increase a charge upon the people can be moved with the speaker in the chair; it must be initiated in committee by a minister acting on behalf of the crown.

We have thus far in this house passed, or rather approved, four agreements, three of which impose additional burdens upon the people. We have done all that without being in committee of ways and means at all. It is quite true that we have been in committee of the whole for the purpose the minister has just referred to, namely, for purposes of discussion only, but not for the purpose of voting resolutions upon which fresh impositions in the nature of customs duties must be based. The discussion was general, but with respect to the agreement with South Africa, the committee was denied the right to do more than refer to the items in the schedule. We were told by the chairman that we might only refer to them; it was only when we came to the United Kingdom agreement and secured the general consent of the house that we were given the liberty of discussing them in detail. The step that we are now taking is the one which should have been taken at the outset with respect to the duties which appear in the schedules of these agreements; we should have gone into them all in the first instance item by item in committee of ways and means and had the resolutions reported therefrom; afterwards we would have been in a position to enact legislation based upon the items approved. The government has repeatedly said, referring to the treaty with the West Indies, the treaty with France, the treaty with Czechoslovakia and other agreements, that it is following the same procedure as was followed by the former administration in reference to these measures. I respectfully submit that the government is not following the same procedure, for this reason; that in these other treaties to which reference has been made—I speak subject to correction, but I think I am right—additional burdens in the form of increased customs duties were not imposed upon the people and it therefore was not necessary in those cases in the first instance to go into committee of ways and means to have the house adopt the necessary resolutions. Those agreements related to duties as they were existing at the time, or as already mentioned the house had dealt with them in committee of ways and means when it was considering the budget; any additional charges or duties imposed by the agreement were in the nature of changes made when the house discussed the budget resolutions, and it was after the budget resolutions had been approved that the agreements were brought in and the approval of parliament was asked for them. It has been one or other of those two courses, but in any case if any additional burden has been imposed upon the people without the resolutions being considered in the first instance in ways and means with a minister of the crown recommending them to the house, I can say without fear of contradiction that has been due to an oversight in connection with the rules, for which oversight all parties in the house were responsible and with respect to which no question was raised at the time.

With regard to this agreement between the United Kingdom and Canada and the other agreements, the question was specifically raised and the attention of the government was directed to the proper procedure and the underlying principles. The government took the attitude that there was a difference in the methods of procedure followed in the British and Canadian houses. In that the minister is entirely wrong. The principle is the same in both houses. It is a fundamental principle which is at stake, and one which should have been observed.

Mr. RHODES: With respect to the earlier portion of the remarks just made by my right hon. friend I am in entire accord. He has asserted that we are now taking the right course for the purpose of enacting the tariff schedules, but with respect to the latter portion, my right hon. friend and I must agree to disagree. I do not for one moment assent to the proposition he has made that we should have started in the first instance in committee of ways and means. If he will look at article 9 of the United Kingdom agreement, he will find that it reads:

> His Majesty's government in Canada will invite parliament to pass the legislation necessary to substitute for the duties of customs now leviable on the goods specified in schedule E the duties shown in that schedule, provided that nothing in this article shall preclude His Majesty's government in Canada—

And so on. We are now doing that, and the only reason we are in committee of ways and means is in consequence of the United Kingdom agreement which calls upon us to implement it. We can do that only by committee of ways and means. I do not propose to labour this argument with my right hon. friend, because I am prepared to agree at once that he is thoroughly sincere and, if I may say so without offence, obsessed with the idea that we are proceeding wrongly in this matter. I wish to repeat: If the house had in its wisdom rejected the United Kingdom agreement, it would not be necessary for us to go into committee of ways and means. Therefore it would be absurd, prior to the house having assented to an agreement, to go into committee of ways and means in order to implement items in the tariff which are called for only if that agreement is approved by the

house. I submit that we must agree to disagree. I believe we have taken the absolutely correct procedure. Having said that, I do not know that I can say anything more. I do not know that any good purpose can be served by our discussing the question as to what has been done hitherto with respect to the agreements and whether we have or have not gone into committee of ways and means. My right hon. friend and I are in entire agreement that it is necessary to go into committee of ways and means and we are here. That is the essential part.

Mr. MACKENZIE KING: I am not any more desirous than is my hon. friend to delay the committee by discussing the matter at greater length, but it is one that may affect subsequent procedure in this house and it ought to be definitely settled at once. May I ask the minister this question: Assume for some reason it had become necessary to adjourn this house today, the Senate having approved the agreement with Great Britain and His Majesty's representative having given royal assent to that agreement so approved; would that agreement not then become binding upon Canada as law, and would not the changes in the tariff which are contained in the schedule which form a part of it be law? May I ask my hon. friend to answer that question?

Mr. RHODES: May I point out to my right hon. friend that we cannot in committee settle a question of procedure. The only procedure we have to do with in committee is a technical one having reference to the articles and the subject matter for consideration in committee. The question whether we should proceed in committee is one which can be decided only by the house.

May I say to my right hon. friend that there is nothing mysterious about this thing. If we were to proceed to adjourn parliament without having gone ahead in committee of ways and means and passed a bill based upon those resolutions, and if the United Kingdom agreement were to pass the Senate, be assented to by His Excellency and become law, we would be placed in this position, that while we had agreed in that agreement to do certain things, we would not have implemented our pledge by reason of the fact that we had not taken the necessary action in ways and means.

Mr. MACKENZIE KING: My hon. friend and I are not very far apart just now. He says we would not have implemented the agreement. But that does not answer my question whether what was embodied in the agreement would not become the law. He has said that this house has proceeded simply with the agreement without going into committee of ways and means, thereby implying that we can make an agreement imposing duties without first of all going into committee of ways and means.

Mr. RHODES: The bill would become law, yes, but we would not have passed the necessary implementing legislation associated with it which we must pass in this committee of ways and means. My right hon. friend and I are not very far apart. The only difference between us, as I apprehend it, is that my right hon. friend says that we should have proceeded with ways and means before we proceeded with the bill. I am in direct disagreement with him on that point, and I think we must agree to disagree in that respect. I think logic is on my side for this reason: If we had proceeded into committee of ways and means and had passed these resolutions and had then failed to pass the bill, what position would we have been in? My right hon. friend says that the answer is obvious and that it is only necessary now that we should go into ways and means because parliament has agreed that we ought to do what we are now called upon to do in committee of ways and means.

Mr. MACKENZIE KING: When my hon. friend says that in the circumstances I have mentioned the bill approving the United Kingdom trade agreement would now be law, that means that everything in the bill is binding on the country, that it is part of the legislation of the country, that the duties there imposed are part of our tariff schedules.

Mr. ERNST: He has not said so.

Mr. MACKENZIE KING: That is what he said, and if the bill is the law that must be the case. But whether the Minister of Finance says so or not, after the bill is approved by parliament and assented to by His Excellency that bill is the law and the tariff is in effect as set forth in the schedules. But the procedure would have been wholly unconstitutional and against the fundamental principles governing in these matters. That point is very clear.

I am stressing what I am saying at the moment first of all because I believe that we would have had an entirely different view of this situation if we had proceeded in the right way, but even more I stress it because it is the duty of every hon. member, and of no one more than the leader of the opposition to see that the rules of the house are observed and that the right procedure is observed, and that fundamental principles are observed, and

also to see if there have been mistakes made in the past or being made in the present that they shall not, if possible, occur again in the future. My contention is that we have already enacted these tariff schedules so far as this house is concerned, and going over them here and now a second time is a mere pretext in so far as the items in the schedules may be the same as those we have discussed. They are already enacted so far as the action of this house is concerned, and they have been so enacted without this house having done what the Minister of Finance himself says is necessary in imposing any duties or obligations upon the people, namely, being considered first of all and approved by resolution in committee of ways and means. We are at this moment in committee of ways and means for the first time this session, and we have not yet considered a single item. The whole procedure I contend has been subversive of the rules of this house.

Mr. RHODES: Mr. Chairman, I shall not yield to my right hon. friend in a desire to see that the rules of this house are observed in every particular. We may differ sometimes upon the interpretation of a rule, but I am just as anxious as any hon. gentleman in this house to see that its rules are strictly observed, and I believe that they have been strictly observed in this instance except in this one respect, that we are breaking the rules of the house at the present moment in discussing a question of procedure here that ought to be discussed in the house. But I am not going to stress that point.

My right hon. friend draws an inference from what I said which he could not properly draw at all. I said a moment or two ago that if we passed the United Kingdom agreement and it passed the Senate and received the assent of His Excellency the Governor General it would become the law, but at the same time I said that we would have failed to implement the agreement contained in the bill unless we passed the tariff schedules in committee of ways and means. In other words, the statute itself would not make operative those changes in our tariff. That must be done in committee of ways and means, and then we would have to pass a bill, just as we shall have to do after these resolutions have been approved by this committee. A bill will then have to be introduced and pass through all its stages.

I submit to my right hon. friend that we are not serving any good purpose by prolonging this discussion. As I said before, we are in agreement up to one point. We are in agreement that we are regularly in committee and that we ought to be in committee of ways and means, and that we should deal with these schedules in committee of ways and means. The only point on which we differ is that my right hon. friend says that we should have considered these schedules in committee of ways and means before we considered the bill. I say precisely the reverse, because if we had not passed the bills it would not have been necessary to go into committee of ways and means at all.

Customs tariff—20a. Butter produced from the cocoa bean: British preferential tariff, free; intermediate tariff, 3 cents per pound; general tariff, 3 cents per pound.

Mr. MACKENZIE KING: I should like to say something on this item.

Mr. STEVENS: I have no objection, but we agreed that we would not repeat the discussion.

Mr. MACKENZIE KING: I do not wonder that the minister does not want anything to be said.

Mr. STEVENS: Oh, now, Mr. Chairman, I was simply reminding the right hon. gentleman, in I think a most courteous and friendly way, that we had agreed that we would not repeat the discussion. The right hon. gentleman himself was the one who responded to that suggestion, but if he desires, I have no objection to his discussing every item all over again.

Mr. MACKENZIE KING: Mr. Chairman, I think the house has only to look to what I said to the Prime Minister last night with respect to my desire to see proceedings brought as speedily as possible to a termination to realize that I have no desire unduly to discuss any matters, but I have a desire to make perfectly clear the position of this side of the house on some matters which have not been discussed. Surely I have that right. May I ask this question of the minister? According to the change that is being made here, the duty on butter produced from the cocoa bean is being raised from 2 cents per pound in the intermediate and general tariffs, to 3 cents per pound in both those tariffs. May I ask the minister whether that change will apply to goods of this class coming from Great Britain and also to goods coming to Canada from Ireland? I assume I may take it that his answer would be that it does.

Mr. RHODES: Yes.

Mr. MACKENZIE KING: Then may I ask this? The British agreement has a clause providing that the margin of preference on

goods coming from Britain must be maintained for a period of five years. That is explicitly set forth in that agreement. That means that in order to maintain the preference of three cents given to Britain the intermediate and general tariffs cannot be lowered for a period of five years. Will my hon. friend show me where in the agreement with the Irish Free State there is any undertaking that the intermediate or general tariff shall be maintained at any existing level; in this case it would be on cocoa butter at three cents per pound.

Mr. STEVENS: It is quite clear. Under the British agreement we fix a certain rate of duty in the British preference column, and we undertake to maintain that preference on certain articles. Under the Irish agreement we extend to the Irish Free State the duty rates extended to Great Britain, and as long as the duty rate is maintained against Great Britain it must necessarily extend to and be maintained against Ireland for a period of five years. It is as simple and as clear as day. That is provided by, I think, section 3 of the Irish treaty.

Mr. MACKENZIE KING: The Minister of Trade and Commerce has just said that under the British treaty we extend to Ireland these privileges. I did not ask with respect to the British treaty; I asked with respect to the agreement between Ireland and Canada. Where, in the agreement between Ireland and Canada, is there any condition or any undertaking to maintain any preference? There is none. I should like to make my position clear, in order to illustrate what I sought to bring out the other day, and which was responsible for the change, in my own mind, as to the attitude hon. members on this side of the house should take towards the Irish agreement. That change was brought about because the minister was placing an entirely different construction upon the Irish agreement than we were placing upon it or than its wording permits being placed upon it.

First of all, may I say that at the beginning of the discussion on the agreements, I asked the Prime Minister if there were any undertakings or understandings with respect to any of them which did not appear on the face of the agreements themselves, and I was assured by the Prime Minister that there were no such undertakings or understandings. I accepted his word for that, and in every action with respect to the agreements since that time I have based my action upon that assurance. I have been under the impression that there was no undertaking or understanding of any kind between this country and either the United Kingdom and Northern Ireland, the Irish Free State, South Africa or Rhodesia which did not appear on the face of the agreements made between those respective countries and Canada.

The agreement between the Irish Free State and Canada is comprised in its entirety in the schedule attached to the bill we have before us. That agreement I studied carefully before this house met, in order to see what was to be given to Ireland. My reading of it led me to believe—and I am sure other hon. members must have come to the same conclusion; it is the only conclusion that could be come to by the reading of the agreement in itself—that it simply gave to Ireland an undertaking that no duties other than those which were imposed on British goods coming into Canada would be imposed upon goods coming from Ireland, and that no higher rates of duty would be imposed against goods coming from Ireland than are imposed against Great Britain. That, and nothing more, was set out with respect to goods coming to Canada. Let me illustrate: If, for example, there were no duty on linen from Great Britain to Canada, for the period of five years for which the agreement would be in force, duty could not be imposed on linen coming from Ireland. Or, if duty on linen coming from Great Britain to Canada had been fixed at ten per cent, then Canada could not place a duty of fifteen per cent on linen coming from Ireland, because we had undertaken to see that no higher duty would be imposed against goods coming from Ireland. The clause is as clear and distinct as it can be.

> Goods, the produce or manufacture of the Irish Free State, imported into Canada, shall not be subject to other or higher duties than those paid on similar goods, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

That is the whole undertaking as set forth in the agreement with Ireland with respect to duties upon goods coming into Canada. In the light of the assurance given by the Prime Minister that there was no undertaking or understanding which does not appear on the face of the agreement itself for which approval was being sought by the government, I was prepared to voice my approval of the Irish agreement. But, what do we now find?

When we come to the bill to approve the agreement, we find that the government has done something with respect to Ireland which is entirely wide of, and apart from the terms of the agreement altogether. The agreement relates only to duties—no new duties, no higher rates of duty, that is all. By the provisions of the bill, however, the Minister of

Trade and Commerce told us on Tuesday last, the government was asking not only approval of the Irish agreement but approval of the Irish agreement plus the British agreement, in the one measure. Mark you, this is not as respects anything in the agreement itself; it is what appears in a separate bill. It is supposed to be an act approving the Irish agreement, but, according to the statement of the Minister of Trade and Commerce, it is an act to approve of the Irish agreement, plus approval of the British agreement in its entirety. I say that is complete deception. Whether or not it was deliberate or intentional I must leave to the opinion of hon. members. To say that it was would not be parliamentary, but if that was the intention and the intention a sincere one, I believe it to be most extraordinary that the intention and the language by which it was carried out, were not made known to the house by the Minister of Trade and Commerce before we were asked to support anything of the kind. Speaking when we were approving the agreement on Tuesday last, the Minister of Trade and Commerce said:

This whole bill—

The bill approving the Irish agreement.

—is based upon, allied to, intertwined and amalgamated with, or any other similar term you like to use, the British agreement. Every jot and tittle, every crossed t and every dotted i of the British agreement is in this.

Well, Mr. Chairman, I should like to know if there was occasion for surprise that, having accepted the Prime Minister's word with respect to what was proposed to be done in connection with the approval of the Irish agreement, and being led to approve it on the understanding that it did not increase or maintain duties, but simply gave to Ireland the benefit of duties imposed against Great Britain and being led to believe that duties would not be raised or new duties imposed I should change my position and ask the party with which I am connected to change its position when we were told by the Minister of Trade and Commerce that the bill not only enacted the Irish agreement but imposed the whole of the British agreement upon us as well.

Mr. ERNST: I rise to a point of order.

Mr. MACKENZIE KING: Just a moment.

Mr. ERNST: I am rising to a point of order. I should like to know, Mr. Chairman, whether the item before us is cocoa beans or sour grapes. I do not know what the remarks of the right hon. gentleman have to do with cocoa beans.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I should like to know whether the hon. member who has just spoken is speaking as a member of parliament or as a very smart boy?

Mr. ERNST: I am serious, Mr. Chairman; what have the remarks of the hon. member to do with cocoa beans?

Mr. REID: Give him another medal.

Mr. MACKENZIE KING: My remarks are directly connected with the item before us.

Mr. STEVENS: Not at all.

Mr. MACKENZIE KING: They have everything to do with the item before us, because the whole question of the maintenance of duties is raised by this as well as by every other item. My contention is that there is nothing in the Irish agreement which obliges us to maintain any rates of duty, so long as that agreement is in force. In support of my belief that there has been some endeavour to mislead parliament, I should like to draw the attention of hon. members to the sequence in which the different agreements were brought into the house. First there was the agreement with Southern Rhodesia, followed by the agreement with Ireland; that in turn was followed by the agreement with South Africa, and last of all we were called upon to deal with the agreement with Great Britain. The terms of the bills approving the various agreements are much the same, but there are one or two significant differences in certain of them, the significance of which has only just become apparent.

Article 4 of the schedule attached to the agreement with South Africa is as follows:

His Majesty's government in the Dominion of Canada will, in regard to the goods enumerated in schedule "A," maintain the margins of tariff concession represented by the difference between the rates accorded to Union goods in that schedule and the presently existing rates on similar goods when imported from any foreign country.

That was a clause in the agreement with South Africa definitely obligating us to maintain certain rates with respect to commodities coming from South Africa to Canada. In the Irish agreement there is no clause corresponding to that at all. There is no article in the agreement between Canada and Ireland which obligates us to maintain any preference, any margin of tariff concession or any existing rates at all. If at this time we are obliged to maintain any preference or rates of duty with respect to goods coming from Ireland it is because the government has gone outside the Irish agreement altogether and, by a

clause in the approving bill which is worded differently from those in the bills approving of any of the other agreements, has done what the Minister of Trade and Commerce has said it was the intention of the government to do, namely to smuggle the whole British agreement into the bill which we were being asked to pass at that time.

When we considered the bill approving the agreement with South Africa we found a clause worded except in one particular similarly to that which appears in the agreement with Ireland. It reads as follows:

After the said agreement is brought into force, and so long as it remains in force, goods mentioned in the said agreement, the produce or manufacture of the Union of South Africa, imported into the Dominion of Canada in the manner provided in the said agreement, shall be admitted to the Dominion of Canada at the rates of duties provided in the said agreement.

The clauses are exactly the same in the bills approving the South African agreement and in that approving the Irish agreement, with the exception of these last words of section 3. They will be admitted to Canada, the South African approval act says:

At the rates of duties provided in the said agreement.

If those words had been used in the bill relating to goods coming from Ireland we would have had and would now have no exception to take.

Mr. STEVENS: There was no schedule in the Irish agreement.

Mr. MACKENZIE KING: There is a reference to duties, which is the same thing. A schedule only sets out certain duties. "At the rates of duties provided in the said agreement;" that is as far as any act approving the Irish agreement should have gone, because it did not relate to anything else except undertaking that duties would not be raised or new duties imposed.

May I say this further. There is a double reason why in the act approving the Irish agreement the same language should have been used as in the South African agreement: it is that the language in the schedule itself warranted the use of the same language. Article 2 in the schedule is:

Goods, the produce or manufacture of the Irish Free State, imported into Canada, shall not be subject to other or higher duties than those paid on similar goods, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

The act approving that does not include, as the South African act does, the undertaking with respect to duties set forth in the agreement, but it inserts something which does not appear in this other agreement:

. . . shall be admitted into the Dominion of Canada on the terms granted to similar articles, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

"On the terms granted." On those words, which we were expected to read in the light of the agreement between Ireland and Canada, and in the light of the Prime Minister's undertaking that we would not be asked to approve anything that was not in the agreement, we naturally assume that the terms there referred to were the terms of the schedule, that is to say, the terms of the agreement itself, and nothing more. Instead they were in the intention of the government quite other terms, namely, those of the United Kingdom agreement, terms of which we had no knowledge or suspicion whatever until the Minister of Trade and Commerce so informed us just before the division on Tuesday last. I say, Mr. Speaker, it is entirely in order, and indeed necessary, to bring up this matter at this point, because it affects the whole schedule of tariff items or rather tariff resolutions now before us. If the government continues, as I presume it intends, after what the Minister of Trade and Commerce has said, to say that in approving the Irish treaty we were approving the whole British treaty, then all I can say is that the house has been completely deceived, and the country has been completely deceived as to the true nature and intent of the agreement made between Ireland and Canada. May I illustrate what I am saying in this way; there is nothing on Ireland's part which corresponds to the undertaking which we are giving in this parliament with regard to maintaining the British agreement in reference to goods coming to Canada from Ireland. The fact that there is not, shows that this addition has been made, not at the instance of the Irish Free State at all, but by the present administration for purposes, I venture to say, too sinister to permit of my mentioning them at this time.

Mr. STEVENS: In the first place I want to draw attention to the fact that this has been all out of order. Not only out of order in that we have an item before us and are in committee of ways and means, but on the ground that the Irish agreement, the South African agreement, and the British agreement have passed third reading and left

this house. But I am going to crave the indulgence of the committee for a moment, if on no other ground than on the question of privilege, to reply to the last observations of the right hon. gentleman. The right hon. gentleman said that with motives too sinister to mention the government had deliberately deceived this house. In the first place that is not a parliamentary reference, it is strictly out of order. In the next place it is not true, and it cannot be borne out by the record. The right hon. gentleman has repeatedly in the last half hour indicated and also inferred it the other evening in a brief observation that he made just before voting, that he was deceived by the Prime Minister and by the government, when the Irish treaty was before the house. If you turn to page 888 of Hansard you find there the record of the introduction and acceptance by the house of the Irish treaty. I am going to read what the right hon. gentleman then said and what the Prime Minister said, and I will leave it to the house as to where probity rests in this matter.

Mr. Mackenzie King: With regard to the schedule,—

Referring to the Irish treaty.

—I observe that for the most part its purpose is to secure both the Irish Free State and Canada against duties being raised against each other. It is protection as against the raising of duties on the part of either country.

That was his interpretation on the first reference he made to the agreement. Yet the Prime Minister deceived him, did he?

Mr. Bennett: I do not think the right hon. gentleman has followed the language of the schedule. The first article reads:

"Goods the produce or manufacture of Canada, imported into the Irish Free State, shall not be subject to other or higher duties than those paid on similar goods, the produce or manufacture of any other country."

In other words, no more favourable terms can be accorded any other country than to Canada. Then, so far as the complementary article is concerned, it provides:

And the Prime Minister reads again from the agreement to the right hon. gentleman in reply to his question, enlightening him, calling his attention to the point. The Prime Minister reads:

Goods, the produce or manufacture of the Irish Free State, imported into Canada, shall not be subject to other or higher duties than those paid on similar goods, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

Calling the right hon. gentleman's attention to precisely what was in it, yet he now says we deceived him on that.

[Mr. Stevens.]

But that is not all. Then the right hon. gentleman proceeded. I quote again from page 888:

Mr. Mackenzie King: It may be said, however, that, generally speaking, the emphasis is on protection of each country against higher duties, rather than—

And the Prime Minister interrupts, and sets him right.

Mr. Bennett: No. I think I can put it fairly by saying that it does not do either one or the other. It does, however, secure this preference to Canada, that we shall receive the benefits of the lowest rates imposed by the Irish Free State; and, conversely, we afford to them the rates, whatever they may be, charged against the United Kingdom and Northern Ireland.

Yet the right hon. gentleman says we have deceived him, says that he had not an opportunity of understanding the Irish agreement. Twice the Prime Minister set him right when the agreement was before us, twice he answered him, twice he corrected his interpretation of it, the same interpretation as he now puts upon it. The Prime Minister carefully, as a nurse would for a child, corrected the interpretation the right hon. gentleman put upon it. Yet he comes to the house today and says that this government deliberately deceived him, and "for motives too sinister to mention." What are the motives that he infers? What motives have we? Everything that human beings could do has been done in the last three weeks to satisfy every reasonable question asked by my hon. friends. I apologize to the committee for speaking with a little heat, but is it any wonder? I ask hon. gentlemen opposite, leaving aside my hon. friends on this side of the house, is it any wonder, sitting here as we have week after week for six weeks, and during the past two weeks going over these items in the most minute detail, that we should feel at least somewhat chagrined when the right hon. gentleman stands up and says that "for motives too sinister to mention" we have deliberately deceived him, in face of the fact that the Prime Minister set him right twice previously when the Irish matter was under discussion?

Now, coming to the point that the right hon. gentleman has raised, he says that I can show nothing in the Irish treaty that guarantees to the Irish the continuance of the preference. I have already answered the question but I will answer it again, and I appeal to the intelligence and reasonableness of any hon. gentleman opposite whether my interpretation is not a fair and correct one. We made no specific schedules with relation to the

Irish. It was a broad and sweeping contract. The contract with the Irish was simply this, in plain language—and it could not be plainer than it is in the article itself. We said that we would give to the Irish the rates and conditions and terms that we gave to Great Britain. In other words, we looked at it this way when discussing the question with the Irish—and I may say that I discussed it with them myself and found them most reasonable gentlemen. We took this general view. The Irish Free State is now separated from the United Kingdom under Dominion status, whereas previously it was part of the United Kingdom, like northern Ireland. But we said that for the purposes of these trade negotiations we would look upon the Irish Free State as though it were part of the United Kingdom and northern Ireland, although in order to conform with the constitutional status we had to enter into this separate agreement; and instead of going into a lot of elaborate detail we merely extended to them all that we have extended to the British. Now, what have we extended to the British? Certain schedules, certain rates of duties and preferences; and furthermore we have guaranteed that in regard to schedule E the spread will be maintained. That, broadly speaking, is what we have done. We have simply said to the Irish, "We will give to you the same rates, the same spreads and for the same period of years." Could it be more clear or more definite than that? "But," says my hon. friend, "I don't see that mentioned in here." Well, the language itself ensures it:

> Goods, the produce or manufacture of the Irish Free State, imported into Canada, shall not be subjected to other or higher duties than those paid on similar goods, the produce or manufacture of the United Kingdom of Great Britain and Northern Ireland.

In the next article we declare that this agreement shall be in force for a period of five years from the date of its coming into force and thereafter until the expiration of six months from the date on which either government shall have given to the other notice of its intention to terminate the agreement. If it can be made clearer than that, if the right hon. gentleman can suggest how it can be made clearer, I should like to know.

I resent, more than I can express, indeed, more than I dare to express, the suggestion, the unfair, unparliamentary statement of the right hon. gentleman, that from motives too sinister to mention this government had deliberately deceived. He had no right to make that statement. There was no ground for it. There has not been one moment during the past six weeks that we have not laboured, to the point of absolute exhaustion, to give the right hon. gentleman and his followers replies as courteous and as full and complete as we could; and I may say to him that, in marked contradistinction to his attitude, many hon. gentlemen opposite, gentlemen, have come to me and come to the Minister of Finance in my hearing and, I know, out of my hearing, and have thanked us for the manner in which we have replied to their numerous demands. That I look upon as parliamentary sportsmanship. In the face of the courteous corrections which the Prime Minister gave to him when he put upon the Irish agreement the same interpretation which he now puts upon it, I invite the right hon. gentleman now to say whether or not he was justified in making that most unparliamentary and unfair slur upon the government and upon the Prime Minister and his colleagues.

Mr. MACKENZIE KING: I accept the minister's invitation. May I direct his attention to the fact that in all that the Prime Minister said and in what the minister himself has just read, the Prime Minister was careful enough to speak of duties and rates of duties, but he made no mention whatever of any preferential margins or maintenance of preferential margins or of any of the terms of the British agreement. The minister has talked about parliamentary sportsmanship. May I say that hon. gentlemen opposite knew, and knew very well, that our main objection to the agreements was what they effected in the way of making tariffs permanent and seeking to maintain preferential margins at a level which would shut out goods from other countries. It was not only the part of sportsmanship but a part of the duty of the ministry itself, which it did not perform, to have drawn the attention of the house to the fact that these clauses had the meaning which is now attached to them if such was the meaning attached to them by the ministry. That is the answer I make to the minister. May I further observe that so far as parliamentary sportsmanship is concerned, we have nothing to learn from the hon. gentleman.

The first obligation upon a ministry, in dealing with any question, to say nothing of an imperial question of such large proportions and far-reaching possibilities as this, affecting as it does the relations between different parts of the empire, is to disclose to parliament the fullest significance and bearing of all that is implied. When I speak of sinister methods what I have in mind is precisely the kind of thing that was done when the ministry sought to carry through a byelection in South Huron

on the basis of agreements which had not yet been made public—giving to the public that part of the agreement which related to the preferences we were to get in the British market, but withholding from the electorate all those increases in duty which were contained in the other part of the agreement, a kind of procedure which was followed in this house, when we were given only the portions of the agreement referring to preferences in the British tariff before being given the parts referring to the increases in our own tariff, and when we were asked and compelled to give approval to the agreement before we had discussed in committee of ways and means the tariff changes involved. That is all of a piece. It has been an endeavour to have parliament legislate in the dark, to have the country governed in the dark; and the sinister part of the whole business is this—

Mr. STEVENS: That is false.

Mr. MACKENZIE KING: —that under the guise of an endeavour to further trade between different parts of the empire this ministry has been seeking to increase the tariffs of the country beyond all previous proportions and to fix them at intolerable heights for a period of five years.

Mr. MACKENZIE (Vancouver): I do not want to protract the debate, but—

An hon. MEMBER: The Irish vote is gone now.

Mr. MACKENZIE (Vancouver): If the hon. gentleman who interrupts cannot make any more intelligent contribution to the discussion, he had better leave the chamber. It seems to me that this whole discussion has been brought about by one circumstance, namely, that these agreements were all thrown together at the conference at the last moment, not necessarily through the fault of this administration. The fact is, however, that they were thrown together at the last moment in undue haste. Remember what happened. When we commenced to discuss the British agreement, Bill No. 8, article 1, different interpretations were placed upon it by many of us, rightly or wrongly, as a result of what the Prime Minister himself said when he introduced the resolution, and we debated the matter for some ten days until we obtained the admission from the Minister of Trade and Commerce himself that there was no guarantee in article 1 of the British agreement with regard to preferential margins, but only in regard to free entry. Then came schedule 2, and I deemed it my duty with respect to article 2 of the agreement to make another inquiry as to whether the British government was obliged thereunder to maintain the schedule of duties which were given to Canada and which the minister himself said constituted the kernel of the agreement so far as Canada was concerned. The same with article 3 and article 4, to the end of the chapter. Right through you will find in all the agreements nothing but chaos and confusion—absolute and utter confusion. And that confusion was added to by the confusion of the ministry itself.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): I do not expect my hon. friend from Renfrew to understand this argument; he is not intellectually qualified to do so. Let me deal with the facts. Now, the resolution was introduced into this house by the Prime Minister. The first request came from this side at the time we were considering the merits of the resolution. We asked that the schedules of the bill be considered in detail in order that we might obtain the necessary knowledge. That request was refused and we were compelled to vote upon the resolution as an entity. The bill was introduced and when it came to second reading we asked that we should go into committee of ways and means at that time. We are now in committee of ways and means for the first time. I agree with my right hon. leader that we have violated every single rule of this house in the procedure which we have adopted.

In regard to the treaty with Finland, the treaty with New Zealand and the treaty with France, a special rule of parliament applied and continued to apply until 1927. The previous government carried out the rules of this house to the utmost degree, while this government has broken those rules.

Mr. ERNST: The hon. member is out of order now.

Mr. MACKENZIE (Vancouver): You are out of order all the time.

Mr. ERNST: What has this to do with butter produced from the cocoa bean?

Mr. MACKENZIE (Vancouver): The other evening the Minister of Trade and Commerce, in referring to the Irish treaty, said:

> Every jot and tittle, every crossed t and every dotted i, of the British agreement is in this,—

Is that statement true? It is an absolute misstatement of fact. The British agreement contains article 2 and schedule B which do not appear in the Irish agreement. The Minister of Trade and Commerce should be the last to impute motives to other hon. mem-

bers when he himself has made such a statement as appears on page 1427 of Hansard. I ask any hon. member in this house: Is that a true statement? It is not. Article 2 and schedule B of the British agreement do not apply to Ireland. I say to the minister: am I not right?

Mr. MACKENZIE KING: Certainly you are.

Mr. MACKENZIE (Vancouver): Of course I am right.

Mr. ERNST: Were you ever wrong?

Mr. MACKENZIE (Vancouver): The other day when the minister got up in the house—

Mr. COTNAM: Just a gas tank.

Mr. MACKENZIE (Vancouver): If my hon. friend has not recovered from the effects of last evening, he should leave the chamber. The minister may have made that statement in a hurry, but I ask him: Is it fair to say that every jot and tittle of the British agreement is contained in the Irish agreement when article 2 and schedule B, which he himself said two weeks previously were the kernel of the British agreement, do not apply to Ireland? As my hon. friend pointed out a few moments ago, the Prime Minister stated, very fairly I think, that our goods entered Ireland under the most favoured nation rates and that possibly they had given us better conditions than they had to Great Britain, taking into account the tariff war now being waged.

Mr. STEVENS: Does my hon. friend want an answer?

Mr. MACKENZIE (Vancouver): When I am through, certainly.

Mr. STEVENS: My hon. friend asked a question and then answered it himself.

Mr. MACKENZIE (Vancouver): I will not deprive my hon. friend of his opportunity to answer, but I do suggest that when he says that every jot and tittle of the British agreement applies to Ireland, it is not the fact because schedule B and article 1 do not apply.

Mr. STEVENS: That is for goods going the other way.

Mr. MACKENZIE (Vancouver): Yes, for goods going the other way. The trouble with my hon. friend is that he was going both ways when he made that statement.

Mr. STEVENS: It was your leader who was going both ways.

Mr. MACKENZIE (Vancouver): I ask hon. members on both sides of the house: when any one says that every jot and tittle of the British agreement applies to Ireland, what does he mean? Does he not mean that every clause in the treaty between Great Britain and Canada which affects goods coming from Great Britain to Canada and going from Canada to Great Britain, applies to the Irish agreement which affects goods coming from Ireland to Canada and going from Canada to Ireland? The terms are absolutely synonymous; the minister knows that and he knew it when he made that statement. In parliamentary language, I say that that statement is not in accordance with the facts because article 2 and schedule B do not apply to Ireland.

The CHAIRMAN (Mr. MacDonald, Cape Breton South): I should like to direct attention to one or two matters which have occurred to me. We are now dealing with the first item in the resolution, and I would refer the committee to standing order 60, quoted by the right hon. the leader of the opposition, which reads:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

All the items in the resolution now before the committee have been passed upon by a committee of the whole house. My impression from the minister's opening remarks was that there were certain items which would have to be dealt with, which were consequential to the agreements and that this discussion would necessarily be confined to such items. If we go over the whole thing again then we will be repeating what has been gone over in a committee of this house. In doing this I think we would be up against the rules of the house.

Mr. MACKENZIE KING: Mr. Chairman, I think the Minister of Finance will agree with me that there was an understanding that we would not repeat in committee of ways and means much of the discussion which had taken place when the bill approving the United Kingdom agreement was before us in committee. What we have been discussing this morning is something which has arisen since that time and which relates to a matter in its general significance quite apart from the understanding arrived at. As we go through these items one by one,

should expect that we would not repeat what was said with respect to the particular items when we were in committee; that is perfectly clear, but we would like the items called one by one as we may wish formally to register our disapproval of many of them. Speaking generally, we are opposed to all increases; if we do not oppose every item as we run along, it is simply because we do not wish to delay unduly the proceedings of the committee. But we want to have that perfectly understood.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I should like to know just what the attitude of hon. gentlemen opposite is going to be. If they are going to contend that because we do not rise and oppose each item, we are thereby consenting to the increases, we will insist upon our right to rise and oppose each individual item. If there is not going to be fair play on both sides of the committee, we will not get through as soon as hon. gentlemen opposite expect. I want it to be understood that if we do not rise and oppose every single increase, it is not because we are consenting. We are opposed to all increases which appear in this resolution. We intend to exercise our right to register that protest with respect to single items and in doing so it will be but indicative of our general attitude.

In regard to your remarks, Mr. Chairman, although it is perfectly true that these agreements have been referred to in and somewhat discussed by the committee of the house, where matters have reference to the imposition of duties or taxation, they must be brought before the house in the first instance in the form of resolutions and discussed in committee of ways and means. Such matters cannot be dealt with in any final or authoritative manner by discussing the clauses of a bill only after its second reading.

Mr. RHODES: When we were in committee on the bill we agreed that the discussion would proceed in the form it would take in committee of ways and means. At that time I expressed the hope that when we came to committee of ways and means, we would not duplicate the discussion. That was assented to. Despite that, however, I have no objection; if hon. gentlemen wish to open up new items, that is their privilege. But I wish to point this out: we are now in committee of ways and means and the rules specifically state that discussion in committee shall be applicable particularly to the item under consideration. I wish to say to my right hon. friend that practically the whole of his remarks made in committee today have been distinctly out of order. He was discussing in the first place the principle of bills which are not before the committee, which have been agreed to by the house and which have been passed on to the Senate. The hon. member for Vancouver Centre was doubly out of order. Not only was he discussing that, but he proceeded to quote from a previous debate in the same session, and to do so is precluded by the rules.

Mr. MACKENZIE (Vancouver): The Minister of Trade and Commerce did the same thing before I did.

Mr. RHODES: The Minister of Trade and Commerce was exercising his right to make a reply to the leader of the opposition—

Mr. MACKENZIE (Vancouver): Have I not also the same right?

Mr. RHODES: —but he particularly pointed out, in doing so, that my right hon. friend was out of order and he could reply only as a matter of courtesy and privilege. It is not necessary for my right hon. friend to make specific objection to each individual item. By the statement he has just made he preserves his whole position, and lest there be any misapprehension upon that point, let me repeat that we understand the right hon. gentleman and his supporters are opposed to every one of these items.

Mr. MACKENZIE (Vancouver): The increases.

Mr. MACKENZIE KING: Items which involve increases.

Mr. RHODES: Which involve increases.

Mr. MACKENZIE KING: In the maintenance of the preference.

Mr. RHODES: In the maintenance of the preference. We have that specific declaration, I hope beyond any question of peradventure. That being so, I submit, if we are going to make any progress, we had better return to cocoa butter, follow it with other items and endeavour to make progress.

Item agreed to.

The CHAIRMAN (Mr. MacDonald, Cape Breton South): Shall I call out each item?

Mr. MACKENZIE KING: Call out the numbers.

Customs tariff--135b. Sugar, above number 16 Dutch standard in colour when imported or purchased in bond in Canada by a recognized sugar refiner for refining purposes only, under regulations by the minister, when exceeding 98 degrees, but not exceeding 99 degrees polarization, per one hundred pounds: British preferential tariff, 31·64 cents.

Mr. YOUNG: Will the minister explain this?

Mr. RHODES: This is the law as it stands today, unchanged in rate or in wording. It is merely placing as a specific item in the tariff that which is now the law.

Mr. STEWART (Edmonton): My difficulty is this: it is in the tariff; just why is the government inserting it now in the tariff resolutions?

Mr. RHODES: It was not in the tariff. It was done by order in council following the Australian treaty. It comes now into the tariff for the first time and is given a number.

Mr. YOUNG: Will the minister explain what is "16 Dutch standard"? We want to get at the bottom of this.

Mr. RHODES: There has been a debate upon this every year. It is a colour standard. It is a highly technical matter and I am not in a position to give my hon. friend a correct technical description of this item. If he would go down to the Department of National Revenue, the officials there could show him the specimens and give him the technical explanation, but I cannot do so.

Mr. YOUNG: I have an idea that the "16 Dutch standard," which has been abandoned by nearly every country but Canada, has been very highly valued by Canadian sugar refiners for purposes of their own. But apart from that, item 135, which is the raw sugar item, quotes the rates on sugar above 16 Dutch standard at varying degrees of polarization. On sugar over 98 degrees the preferential rate is 35·6 cents and the general rate $1.47. In item 134, which is the refined sugar item, we find the corresponding rates: $1.09 under the preference and $1.89 under the general tariff. The difference between $1.09 and 35·6 cents would be the margin of preference which our Canadian importers enjoy. That is seventy-four and a fraction cents per 100 pounds. We find in italics a description of sugar, the same as in this item 135b. This is dated August 3, 1931, and in the item, as regards the duty on sugar of that classification, that is between 98 and 100 degrees polarization, the preference was reduced from 35·6 cents to 31.64 cents, applying only to Australia. On August 22 of the same year we find the same thing applied to the British preference, that is a reduction in the duty that the refiner will pay on his raw sugar coming from those sources, but we find no corresponding reduction in the consumers' item. The effect of this would be to increase the profits of the refiners by four and a fraction cents per 100 pounds on all sugar that they refine coming from the British Empire. I would like the minister to tell us, if he can, what further process of refining sugar above 98 degrees polarization requires.

Mr. STEVENS: This dissertation by my hon. friend is one that we have of course heard before. There are those who take certain views regarding the process of estimating the standard of refinement, if I might say so, of sugar. I think this is the argument Mr. Deachman presented to the tariff board so very fully a year or two ago and I believe it would be most unwise to enter into an argument on it at the present time. May I reply to my hon. friend by saying this: This method has been accepted by the governments of Canada, the parliament of Canada and the trade for many years. It would be most unwise to enter into a discussion now as to whether some other process is better. This is our process and it has been in our statute for many years. So much for that phase of the question.

As regards Australia and the change that was made about a year and a half ago, that country, in the mills which treat the sugar cane, brings the standard of its refinement up a few degrees, I think it is two, higher than that normally accepted by Fiji, the West Indies and some other centres, I believe Cuba. So, in order to give Australia an opportunity to enter this market with some part of her sugar product, we adjusted the tariff item accordingly. That was most valuable on our part and to our trade, because we had an excess of trade going south to Australia to that which she was sending back. This gave Australia an opportunity for shipping some heavy and also valuable cargoes to this market.

The third point raised by the hon. gentleman was: What refinement was necessary beyond 98 degrees? It is very material. He has asked a technical question which, naturally, I cannot answer and I do not think the departmental officers who are here are qualified to answer it offhand. But I can assure my hon. friend that this sugar must be refined. Let him get that clearly in mind. The degree of refinement, however, is lessened by two degrees or, shall I say, two stages, if

you like, to that of 96. It must be refined and the decolouring of the sugar—I cannot give the technical term at the moment—enters into the refining, and the sugar is produced in whatever form is desired, whether lump sugar or granulated or brown sugar. The hon. gentleman may take it from me that this is a raw sugar to all intents and purposes but refined to a little more than 96 degrees.

Mr. YOUNG: Is not sugar above 98 degrees polarization marketable as refined sugar?

Mr. STEVENS: I remember when I was a boy in the old country they used to sell there a lot of sugar known as Demarara sugar, which is very similar to this. It is a sugar partially crystallized, still in its yellow state. It certainly could be used, but as a matter of practice it is not used in this country. I presume that anyone who wished to get the sugar in that form could do so if there was any demand for it in this country. It contains certain impurities which should be taken out.

Item agreed to.

Customs tariff—171. Books, printed, periodicals and pamphlets, or parts thereof, n.o.p., not to include blank account books, copy books or books to be written or drawn upon: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. DUPUIS: The other day I wished to discuss a question on this item and the minister said that we would have the opportunity when the item came up in the committee of ways and means. I should like to make a plea with the minister on behalf of those whose learning is acquired through French literature, French books and French culture. In this country we have two sources of learning, the French and English languages, and a large number of our citizens acquire their learning through French books, French literature and French culture; and not only those whose origin is French, but people of other races who also study French literature. I am making this plea in all sincerity in the hope that all the books and periodicals and articles covered by items 171, 171a, 178 and 178b shall have the same rates set out here when coming from France. Otherwise there would be a discrimination against those who study French literature and who derive their learning from the fountain head of French culture.

Mr. RHODES: My hon. friend is suggesting that by this item we are creating a discrimination against our friends in the province of Quebec and elsewhere who desire to purchase French books and French literature. May I point out to him that for many years there has been such a discrimination. Under the old tariff these books came in at a rate of five per cent under the British preference, and 10 per cent under the intermediate and general tariffs. So no discrimination is being introduced by this legislation. If you will, you may say that we are perpetuating or accentuating a discrimination already existing.

Mr. LAPOINTE: Accentuating, because the margin of preference is increased.

Mr. RHODES: The most that can be said is that we have accentuated or increased the discrimination already existing; there can be no dispute about that. But inasmuch as the British agreement was entered into between Great Britain and Canada I must say to my hon. friend that we could not take cognizance in an agreement of that character of any arrangement to take care of the objection raised, because these books come from France and not from England. Notwithstanding that there has been this discrimination in the tariff for years, this is the first time so far as I personally am aware that the question has been raised in this house. If it has been raised before, I have not heard of it. Inasmuch as this is an agreement, we cannot alter it in this house without the consent of the British authorities, but I think there is much merit in the contention of my hon. friend in that these rates operate to the disadvantage of those who wish to buy French books, and so far as I am concerned I am quite content to take the matter up with the British authorities and see if we cannot make an adjustment which would be more in conformity with the equity of the case. It seems to me that that is as much as I can say under the circumstances.

Item agreed to.

Mr. RHODES: I have an amendment to propose, Mr. Chairman. There is an item in the tariff today, 178a, which provides for the prepayment of customs duties through the post office. Under this agreement we are admitting at a lower rate of duty the articles mentioned in item 178, but we have not provided for a corresponding reduction on those articles which come in through the post. The amendment I have to suggest makes the rate upon the articles which come in by post the same as provided in the agreement for articles coming in under item 178.

Mr. STEVENS: I beg to move that schedule A be amended to provide for the deletion from the said schedule of tariff item 178a, and for the substitution in lieu

thereof in said schedule A of the following item enumeration and rates of duties of customs:

178a. Provided, that on the goods specified in item 178 and imported by mail on and after the first day of July, 1914, duties may be paid by customs revenue stamps, under regulations by the minister, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be each: British preferential tariff, 1 cent; intermediate tariff, 2 cents; general tariff, 2 cents.

Mr. MACKENZIE (Vancouver): Was the British government consulted in regard to this change?

Mr. RHODES: No, they were not, because it is a change downwards.

Mr. MACKENZIE (Vancouver): I am glad to hear that.

Mr. POWER: Did the minister get a reciprocal concession?

Mr. MACKENZIE (Vancouver): For mutual advantage.

Item agreed to.

Customs tariff—210. Peroxide of soda; silicate of soda in crystals or in solutions; bichromate of soda; nitrate of soda or cubic nitre; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. BOUCHARD: I should like the minister to relieve my mind from a suspicion that this tariff was introduced to help Canadian manufacturers.

Mr. RHODES: I moved an amendment in committee on the bill which I propose to move very soon. The hon. member is just one step ahead of me. I have a motion to move which will meet the objection the hon. member has in mind. We are not quite to that point yet however, because it is an amendment to item 210.

Mr. MACKENZIE KING: We are discussing item 210.

Mr. RHODES: Inasmuch as we have taken a special item out of it, I wish to add the words "n.o.p." to it. I ask my colleague to move accordingly.

Mr. STEVENS: I beg to move:

That item 210 as detailed in resolution No. 1 of October 12, 1932, be amended by insertion of the letters n.o.p. immediately after the phrase "nitrate of soda or cubic nitre" in line two thereof.

Mr. BROWN: Does that put cubic nitre for agricultural purposes on the same ground as—

Mr. RHODES: I know what the hon. member is going to say, and I have another motion in connection therewith.

Amendment agreed to.

Mr. RHODES: I have before me an amendment which I moved in committee on the bill and which I am now asking my colleague to move.

Mr. STEVENS: I move:

That the following item enumeration and rates of customs be inserted in resolution No. 1 of October 12, 1932:

"210e. Nitrate of Soda or cubic nitre when imported for use as a fertilizer, or when imported by manufacturers of explosives for use exclusively in their own factories in the manufacture of explosives—Free, free, free."

Mr. MACKENZIE (Vancouver): Is this agreed to by the British government?

Mr. RHODES: Yes.

Mr. MACKENZIE KING: I suppose it is also agreed to by the Irish government?

Mr. BOUCHARD: Would it be in order to extend the same privilege to item 218, acid phosphate?

Mr. RHODES: If that chemical is used as a mixture for fertilizing purposes it is free today.

Mr. BOUCHARD: But it is a poor mixture.

Mr. RHODES: The hon. member suggests it should be used in its natural state?

Mr. BOUCHARD: Yes.

Mr. RHODES: I am not particularly familiar with the technical operation and application of various chemicals, but I say to my hon. friend that we will consider his representations and if we deem it advisable we will take up the matter with the British authorities. I will not however undertake to say it will be taken up unless in our judgment we decide we should do so, that is as far as I can go.

Mr. MACKENZIE (Vancouver): Is it agreed to by the Irish Free State?

Mr. RHODES: The hon. member knows we do not have to communicate with them in this connection.

Mr. BOUCHARD: When item 218 is called I have some further remarks to make.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—218. Acid phosphate, not medicinal: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. BOUCHARD: For the information of the minister I wish to add a few words to what I have already said. Acid phosphate cannot be mixed with many other ingredients entering into the manufacture of fertilizer. Therefore in my view it would be very necessary to have this material come in free. A large amount of it is being used by the farmers. Acid phosphate is very readily absorbed by plants. I am confident the minister will see to it that farmers are given all the advantage which could be derived from this item.

Mr. RHODES: There is nothing I can add to what I said a few minutes ago.

Item agreed to.

Customs tariff—229. Soap, common or laundry, per one hundred pounds: British preferential tariff, 50 cents; intermediate tariff, $1.50; general tariff, $1.50.

Mr. YOUNG: We are opposed to item 229.

Mr. RHODES: Will it be satisfactory if it is carried on division?

Mr. BROWN: No.

Mr. MACKENZIE KING: We want a standing vote on this item.

Mr. RHODES: Just a minute; I have a right to discuss this item. My reason for speaking is this: The other day when this matter was being discussed my right hon. friend was very clear in his statement that he was aware of the fact this agreement had to pass in toto, and that it was not subject to amendment. Under those circumstances we had every right to assume that these items, when we came to them, would not be challenged beyond an indication of the attitude of hon. members opposite. My right hon. friend was very clear in his statement that there could be no amendments to the agreement. To keep good faith it is necessary that we should pass these agreements in toto. Under those circumstances I submit he will have accomplished his purpose equally well by having the item carried on division.

Mr. LAPOINTE: That is for us to say.

Mr. RHODES: My right hon. friend is taking an illogical position. By challenging this item and calling for a vote upon it he is flying in the face of the very position which he took at an earlier stage on this agreement. We understand perfectly well that many items in this agreement are not acceptable to hon. gentlemen opposite. I would go further

[Mr. Bouchard.]

and say that the whole agreement is not acceptable to them. But they understand the position, and in view of the statement of my right hon. friend it seems to me he is in fully as good a position if he takes the attitude of opposing the article to the extent of saying: Carried on division, which indicates that he and those who support him have voted against it.

Mr. MACKENZIE KING: Mr. Chairman, what my hon. friend says is correct as to my agreeing that so far as the items in the agreement were concerned we could not change them. They had to be accepted or rejected in their entirety. We understood that, that the agreement had to be passed as a whole. But we are through with the agreement now. The house is at present in committee of ways and means, considering resolutions involving far reaching changes in the tariff to all intents and purposes making a new tariff. Certainly we on this side have not deprived ourselves of the right, which every House of Commons has in committee of ways and means, of asking that with respect to particular items members shall show by their actual standing up in the house, whether they support them or not. It only bears out what I was saying before, that in this committee of ways and means hon. members should have had the opportunity of registering their position first and to make first the provision necessary to implement any agreement. Then, when we came to the agreement, certainly if provision had been made for the tariff schedule being adopted in its entirety there would be something to be said for there being no occasion to alter it in any particular.

Mr. RHODES: I must say I have been surprised by some attitudes taken by my right hon. friend, but the attitude he now takes amazes me. What he says is that the agreement itself, it is true, we cannot alter, we may be opposed to certain clauses but it must go through as a whole, but now we are in committee of ways and means. My hon. friend knows perfectly well the reason we are in committee of ways and means, it is one and one only, that is to implement what we have agreed to do in our United Kingdom agreement. My right hon. friend is in an illogical position, I think he is in an unethical position. He says: While we will agree to these items we have in the bill itself, when we come to put them into effect in committee of ways and means we can oppose them. That is the position that my right hon. friend is taking, but this item has been passed as part of the schedule to the bill.

Mr. MACKENZIE KING: No.

Mr. RHODES: Excuse me, it has. Now my right hon. friend says he is going to oppose it.

Mr. LAPOINTE: Surely if any gentleman is illogical it is my hon. friend the Minister of Finance. Every item is called, and the chairman asks, "Is the item carried?" My hon. friend is willing that we should carry it on division. Surely if an item is to be carried on division we have the right to register our vote, a standing vote, the same procedure altogether. My hon. friend says, Yes, vote against it, but it will be on division. If you want to rise, no, that is not ethical, there is something wrong about it—

Mr. RHODES: No, excuse me—

Mr. LAPOINTE: My hon. friend knows he is wrong, that is why he wants to prevent me speaking. Even if my right hon. friend had been willing to say, "We will not divide the committee", every member here has the right to ask that there be a division. I ask for one, as far as I am concerned, on that item of soap, and I will ask for one on two or three items.

Mr. RHODES: If my hon. friend will permit me, I did not wish to stop him from speaking, I merely wanted to rise to put him right. I never for one moment suggested that it was not the right of hon. gentlemen to have a vote on every item in this committee. Of course it is. It is equally their right to discuss ad libitum every single item. We have never called that in question. I was merely pointing out in the first place that the position taken by my right hon. friend is that we cannot amend this agreement, and in the second place pointing out the illogical attitude he took on the schedule to the bills, and now when we come to the same item in committee of ways and means.

Mr. MACKENZIE KING: I said we expressly reserved the right to record our vote against certain of the items and intended to exercise that right.

Mr. RHODES: There is no question about the right.

Mr. LAPOINTE: My hon. friend is obstructing.

At one o'clock the committee took recess.

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The committee resumed at three o'clock.

The CHAIRMAN: Item 229 is under consideration. Shall the item carry?

Mr. RHODES: Some question was raised before luncheon in regard to this item and I would not wish to take advantage of the situation. Is it all right to pass the item?

Mr. LAPOINTE: On division.

Mr. RHODES: Yes, all the items are being carried on division.

Item agreed to on division.

Customs tariff—278b. Crude peanut oil, for refining for edible purposes, used as materials in Canadian manufactures: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. RHODES: I have an amendment which I will ask my colleague the Minister of National Revenue to move. It deletes this item and puts it back on the free list across the board.

Mr. MACKENZIE (Vancouver): We cannot object to that.

Amendment agreed to on division.

Customs tariff—401. Wire, of iron or steel: (a) barbed fencing, coated or not: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

(b) twisted, braided or stranded, including wire rope or cable, coated or not, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

(c) drawn flat or cold rolled flat after drawing, coated or not, n.o.p., not more than ·25 inch in width and less than ·1875 inch in thickness: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

(d) coated with zinc, or spelter, curved or not, in coils, ·144, ·104 or ·092 inch in diameter, with tolerance not to exceed ·004 inch, and not for use in telegraph or telephone lines: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

(e) coated with zinc or spelter, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

(f) single or several coated, n.o.p., covered with any material, including cable so covered: British preferential tariff, 15 per cent, intermediate tariff, 30 per cent; general tariff, 30 per cent.

(g) n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. BROWN: There are two or three items on which we laid special emphasis when they were under consideration before. This item is one and item 409, cream separators, is another. From our standpoint, these are the worst things in the whole agreement. The government has already made a number

of changes, one of which was referred to a little while ago. That item, peanut oil, was 10 per cent under the general and 10 per cent under the intermediate, and it has again been put on the free list. Possibly that was done through communication with the British government; I do not know. Might we not ask the government, however, to take up these two special items, barbed wire and cream separators, with the British government, with a view to seeing whether they will not agree to having them restored to the free list.

Mr. RHODES: The hon. member has made himself abundantly clear as to what his views are with respect to these two items, not only at the moment but also when we were discussing the item under the bill. May I say to him that if in practice it transpires that the fears expressed by himself and his associates are apt to be realized, we shall be only too willing to discuss the matter with the British authorities, in which event I have no doubt they would take the same reasonable attitude as they have taken with respect to other items already dealt with.

Mr. BROWN: We do not like to have the burden imposed upon us of proving that our fears have been realized, because even though prices may not increase it does not necessarily follow that these duties will not eventually have an effect on prices.

Mr. RHODES: I quite agree with my hon. friend. We will not take the attitude that it will be necessary for the hon. gentleman to prove his point. We will take judicial notice of it.

Mr. MACKENZIE (Vancouver): I thank the minister for his undertaking to take judicial notice of our objection, because this item outrages the conscience of everyone on this side of the house, so much so, Mr. Chairman, that I do not think we should let it go without a recorded vote. If the minister had made the same representations to the British government as he has made with respect to two or three other items, I think he might have been able to have this item free across the board, and I believe that there are supporters of his who would like to see these duties abolished. I should like to record my vote in the most emphatic way permissible.

Mr. RHODES: I may point out, with respect to these items, that the commodities are being manufactured in Britain. In that respect this item is a little different from the item with regard to peanut oil. I hope my hon. friend will not feel it necessary to divide the committee, but that of course is his privilege. I cannot add anything to what I have said in reply to the hon. member for Lisgar.

Mr. LAPOINTE: Let us vote.

Item agreed to: yeas, 53; nays, 31.

Customs tariff—409. Cream separators and complete parts therefor, including steel bowls: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MACKENZIE (Vancouver): I think we should have a recorded vote on this item.

Item agreed to: Yeas, 57; nays, 35.

Customs tariff—412d. Offset presses; lithographic presses; printing presses and type-making accessories therefor, n.o.p.: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. RHODES: I have an amendment to propose to this item to add the words "complete parts of the foregoing, not to include saws, knives and motive power."

Mr. MACKENZIE (Vancouver): Has this been agreed to by the British government?

Mr. RHODES: No, it has been offered by us as a still further concession.

Mr. MACKENZIE (Vancouver): Or by the Irish government.

Mr. RHODES: If it goes to the British government, it goes to the Irish government.

Mr. STEVENS: I move accordingly.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—422b. Trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. RHODES: I intend to suggest a similar amendment to this item, that the words "complete parts thereof" be added.

Mr. STEVENS: I move acordingly.

Mr. MACKENZIE (Vancouver): Has this been agreed to by the British government?

Mr. RHODES: My statement with respect to the other item applies also to this one.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—427c. Machinery, viz.: power churns, power milk coolers, power fillers and cappers, power ice-cream mixers, power butter printers, power cream savers, power bottle sterilizers, power brine tanks, power milk bottle washers, power milk can washers, ice-breaking machines, valveless or centrifugal milk pumps, sanitary milk and cream vats; none of the foregoing machinery to include motive power: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 35 per cent.

Mr. RHODES: I am going to suggest an amendment to this item to add the words "for dairying purposes" after the word "machinery" in the first line of this item. This is to make it absolutely clear that the machinery to be admitted is for dairying purposes.

Mr. STEVENS: I move accordingly.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—476. Surgical and dental instruments of any material; surgical needles; X-ray apparatus; microscopes valued at not less than $50 each by retail; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to: Yeas, 59; nays, 30.

Mr. ELLIOTT: I thought the minister was going to give us some information in connection with this item.

Mr. STEVENS: We have just voted upon it.

Mr. ELLIOTT: I was referring to item 476a.

Mr. STEVENS: That item is free all across the board. We cannot do any more than that.

Customs tariff—523c. Woven fabrics wholly of cotton, composed of yarns of counts of 100 or more, including all such fabrics in which the average of the count of warp and weft yarns is 100 or more: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 32½ per cent; and per pound: intermediate tariff, 3½ cents; general tariff, 4 cents.

Mr. STEWART (Edmonton): I object to this item as I object to all of them, but I think we should divide on this particular one as a protest against the whole of the cotton schedules.

Item agreed to: yeas, 59; nays, 30.

Mr. VERVILLE (Translation): Mr. Chairman, could you not proceed with less rapidity? One must not overlook the fact that the people are called upon to pay the piper and we should like to understand what we are doing. You read too rapidly.

Mr. CHAIRMAN (Translation): It is to save the people's money that I am dispatching the work.

Customs tariff—540. (c) Towelling and glass cloth of crash or huck, with or without lettering or monograms woven in, table cloths and napkins of crash with coloured borders, in the web, wholly of flax or hemp; woven fabrics, in the web, composed in part of flax or hemp, not containing silk, artificial silk nor wool: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent: general tariff, 35 per cent; and per pound: British preferential tariff, 3 cents; intermediate tariff, 3½ cents; general tariff, 4 cents.

Mr. RHODES: I have an amendment with respect to item 540 (c). The purpose of the amendment is to correct what was obviously a typographical error, because, if hon. members will look at the votes and proceedings they will see that the ad valorem was 22½ per cent under the old British preferential tariff. It shows 25 per cent here. The purpose of the amendment is to reduce this to 22½ per cent as was originally intended. I would ask my colleague kindly to move that amendment.

Mr. STEVENS: I move that.

Mr. MACKENZIE (Vancouver): We are all for that.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—551a. Yarns and warps composed wholly or in part of wool or hair, imported by manufacturers for use exclusively in their own factories, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent; and per pound: British preferential tariff, 7½ cents; intermediate tariff, 15 cents; general tariff, 17½ cents.

Mr. RHODES: I have an amendment to make to this. It is purely for the purpose of clarification. The amendment is to the effect that the words "of wool" be inserted immediately after the word "wholly" in line one of this item. I would ask my colleague to move that.

Mr. STEVENS: I move that.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 30

per cent; intermediate tariff, 40 per cent; general tariff, 40 per cent; and per pound: British preferential tariff, 18¾ cents; intermediate tariff, 32½ cents; general tariff, 35 cents.

Mr. VALLANCE: To this item which includes all woollen clothing, we object as being 30 per cent, 40 per cent and 40 per cent, and I think there ought to be a division on this.

Mr. RHODES: My hon. friend will realize that we are reducing the British preferential rate on this item and are not increasing either the intermediate or the general rate.

Mr. VALLANCE: But we are objecting to the whole principle of this.

Mr. RHODES: My hon. friend then is taking the position that he is objecting to our reducing the duty on this commodity. We are not increasing the intermediate or general rate, and on the other hand we are reducing the British preferential rate.

Mr. VALLANCE: We think it is too high.

Item agreed to on division.

Customs tariff—586. Coal, anthracite, n.o.p. per ton: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 50 cents.

Mr. YOUNG: This is an increase. We shall have to vote on it.

Item agreed to on division.

Customs tariff—598a. Brass band instruments, of a class or kind not made in Canada; bagpipes: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. RHODES: This is the Reid item. I have an amendment to propose which I think will be acceptable to the hon. member for New Westminster and also the hon. member for Vancouver Centre. This amendment admits free of duty complete parts for bagpipes..

Mr. STEVENS: I move that.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—599. Hides and skins, raw, whether dry, salted or pickled; and raw pelts: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BROWN: This is a most interesting item. I do not rise for the purpose of opposing it but to congratulate the government upon having had a change of heart. Those of us who were here during the last two parliaments will remember that the government of the day was continually being bombarded from this side to impose a duty on raw hides. I remember very distinctly a speech made by the present Minister of Justice. Perhaps the house will also remember that last year this question came up and during the course of the discussion it transpired that a tariff had been imposed upon hides because of a verbal understanding which the government had had with New Zealand at the time of making the New Zealand treaty. I just want to congratulate the government upon having had this change of heart. I am curious to know what brought it about. We could hardly conceive that it was due to any arguments advanced from this side of the house. I would ask the minister what influences were brought to bear upon the government to make them reverse their decision, and whether this change is satisfactory to New Zealand.



Mr. STEVENS: Absolutely satisfactory to New Zealand.

Mr. BROWN: What brought about the change of heart?

Mr. STEVENS: Oh, a little common sense.

Item agreed to.

Customs tariff—625. Caps, hats, muffs, tippets, capes, coats and cloaks of fur, and other manufactures of fur, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. YOUNG: This increases the intermediate and general tariffs on an article of necessity to the people, and I am opposed to it, Mr. Chairman.

Item agreed to: yeas, 64; nays, 35.

Resolution as amended, agreed to.

Resolution No. 2 agreed to.

Mr. VERVILLE (Translation): Mr. Chairman, would you kindly read this article in French.

Mr. CHAIRMAN (Translation): I have just read it in French.

Mr. VERVILLE (Translation): I was able to follow it well; however, I wish to have it read in French.

Mr. CHAIRMAN (Translation): I did read it in French. I always do so.

Resolutions as amended reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 13, to amend the Customs Tariff.

He said: Is there any objection to taking the first and second readings now?

Mr. MACKENZIE KING: We on this side are anxious to expedite matters, but we also wish to have an opportunity to discuss the question of farm relief. If the Prime Minister is in a position to give us an undertaking that we shall have that opportunity at a definite time there will be no objection to proceeding with this bill, though none of us have seen copies of it.

Mr. BENNETT: Under those circumstances, as soon as this is through the question could be raised on the motion for supply or on second reading of the representation bill, whichever best suits the convenience of hon. gentlemen.

Motion agreed to and bill read the first time.

Mr. RHODES moved the second reading of the bill.

Mr. MACKENZIE KING: Mr. Speaker, on the second reading of this bill I desire to say that the objections which we have raised all along to the increases in the tariff we desire to make at the present time with added emphasis after having had the discussion we have had upon the resolutions in committee of ways and means today and seen more clearly than ever the extent and the effect of the increases. We on this side are entirely opposed to increasing the tariff as proposed in this bill and we are prepared to vote against the second reading. With this understanding it may perhaps be declared carried on division.

Mr. RHODES: That is quite satisfactory, Mr. Speaker, carried on division.

Motion agreed to, on division, bill read the second time, and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Schedule A amended.

Mr. MACKENZIE KING: Is there a copy of the bill?

Mr. RHODES: I think there are copies available for distribution, but if not I assure my hon. friend the bill contains the schedule as passed, with the amendments, and is in conformity with the resolutions.

Mr. MACKENZIE KING: I have no hesitancy in accepting the word of the Minister of Finance with respect to what may be contained in the bill. In so doing however I should like to point out again that all of this procedure should have been carried out stage by stage and in detail before we were asked to approve of the agreements based upon the changes in the tariff now being made.

Section 1 agreed to.

Section 2 agreed to.

Bill reported.

Mr. BENNETT: Does the right hon. gentleman opposite wish the bill to stand for third reading?

Mr. MACKENZIE KING: We might as well finish it.

Mr. SPEAKER: Mr. Rhodes moves, seconded by Mr. Stevens, that the said bill be read a third time. Is it the pleasure of the house to adopt the motion?

Mr. MACKENZIE KING: On division.

Bill read the third time and passed.

Mr. BENNETT: I shall proceed with the Representation bill, or with the motion to go into supply, whichever the right hon. gentleman wishes.

Mr. MACKENZIE KING: I should prefer supply. In order to regularize matters I believe the minister should make a motion.

## SUPPLY—FARM RELIEF

### AMENDMENT TO MOTION OF MINISTER OF FINANCE

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply:

He said: Under the ordinary course I could not proceed today in supply, not having considered items on a day other than Thursday or Friday. I take it however that hon. members are content to accept the motion as if it had been moved on a Monday or Tuesday.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I intimated the other day that on going into committee of supply I should have a motion to bring forward which would have reference to farm or agricultural relief, and I intimated at the time that if the house had a statement from the Prime Minister as to the government's policy in the matter, and if we had an opportunity of discussing the government's policy whatever it might be, I would not move the motion. Up to the present time however we have had no statement from the Prime Minister as to the government's policy with respect

to farm relief. We have not heard what it is or what it is to be from now until the time parliament reassembles. In the circumstances, so that we may have an opportunity of placing ourselves on record I beg to move, seconded by Mr. Casgrain:

That all the words after "that" to the end of the question be omitted and the following substituted therefor:

Whereas parliament has been in session since October 6, of the present year, and is shortly to adjourn until January 30, 1933;

And whereas, since parliament assembled the government has not made any statement of policy with respect to the relief of existing agricultural conditions;

And whereas, the position of agriculture in Canada has become increasingly deplorable and, unless relieved, will bring about a condition of distress hitherto unparalleled;

This house is of the opinion that the government should immediately announce what policy, if any, it has with respect to the relief of agricultural distress, and permit full consideration of the same before parliament adjourns over the months of December and January.

May I add, Mr. Speaker, that I have no desire to have the government consider this amendment as intended as being one in the nature of want of confidence. That is not its purpose at this time, if the Prime Minister has at this time a statement of government policy which he is prepared to make to the house, and if he is prepared to give us an opportunity to discuss this matter. If that course is adopted, I shall ask the consent of the house to be allowed to withdraw the amendment after the Prime Minister has spoken at any stage of the discussion hon. members of the house may wish. If we do not receive a satisfactory declaration from the Prime Minister, then I would ask that the amendment be put.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, it is not my intention to speak at great length on this occasion, but there are some matters which I think ought to be brought to the attention of the house. Perhaps there is no need of emphasizing again and again the unfortunate position in which agriculture finds itself today. However recognizing as we do that the prosperity of Canada depends upon the stability of agriculture we feel we cannot give too much attention to that subject. About a year and a half ago I was compelled to move an amendment somewhat similar to the one to which we have just listened, and on that occasion I said there was grave danger of farmers losing their equities in their lands. In some quarters that statement was ridiculed. If not ridiculed, at least it was not accepted as a serious statement of fact. There can be no question today however that the condition I described obtains. I hold in my hand a paper published in my constituency, and in it I find a list of lands to be sold for taxes. This is an old established community, a community that was settled fifty years ago. There have been tax sales at various times since then, but in very few cases was land put up for sale for taxes when the men were actually resident on the land. But today I find in looking over this list that some hundreds of farmers have their land put up for sale for taxes because it is simply impossible for them to pay those taxes. Again and again it has been brought to our notice that the low prices at which farm products are being sold make it impossible for farmers to meet their obligations. The time must come, be it sooner or later, when some steps must be taken to relieve the farmers from the obligations that have been incurred and have accumulated during the last few years. Some steps must be taken to secure that the farmers who are now on the land are enabled to remain upon it. What profit will it be if through the disposal of this land, whether it is taken over by the loan companies or the municipalities, men should be turned off land on which they have been living for many years, and then perhaps go and purchase another piece, perhaps one of these very parcels indicated in this list. Some steps must be taken by the dominion or by the provinces to ensure to farmers continued possession of their land; otherwise I do not see anything for it but a wholesale leaving of the land by those who are now on it.

These tax sales indicate one thing. There has been discussion as to the proper method of providing relief, and there are those who still strenuously advocate that relief should be given by way of work. I am inclined to think that we are driven to the necessity of providing relief by way of direct contribution. Ideally that does not commend itself to any of us. But so far as the municipalities are concerned at least it would be simply impossible for them to carry on any share of relief by way of work. Cases come to our notice from time to time that indicate the serious nature of the situation. Here is one, brought to my notice no longer ago than this morning. A certain man in a certain town was on direct relief. I was told that that man had securities in the way of mortgages on land, and land that he owned himself, worth at least $15,000. But he has not been able to collect a cent, and the result is that he is on direct relief. Now we could

not hold that a man possessed of so much property should be allowed to starve, any more than a man who had nothing. But it could not be considered equitable that, in case times improve, he should be in a position to collect everything in the way of principal and interest on the mortgages that he holds. A lien of some kind should be taken on that man's holdings, he should not be allowed, if he so desired—we will hope he would not—to exercise his full rights without at least paying back the amount received by him for his immediate needs.

Let us consider another case that was brought to my notice, from the standpoint of the taxpayer. I was visiting in a certain town and there was brought to my notice the case of a young widow—

Mr. COTNAM: Tell us about her.

Mr. BROWN: I think the hon. member for North Renfrew (Mr. Cotnam) must have had it indicated to him quite frequently that if he wants to make a speech—

Mr. COTNAM: If I could not make a better speech than you I would not want to make one.

Mr. BROWN: The house will be the judge as to the merits—

Mr. COTNAM: We are the judges, we are judging all the time.

Mr. BROWN: The case brought to my notice is probably typical of a great many. A young widow of a soldier who was not able to secure a pension—

Mr. COTNAM: Never mind the young widow.

Mr. BROWN: Does the hon. member not realize that this is a serious situation?

Mr. SPEAKER: Order. I ask the hon. member to desist from intervening in this irregular way.

Mr. BROWN: This young widow's husband had only been able to leave her a small sum of money, with which she was able to build a house to live in. She has no other source of income. Yet because of that small property that she holds she is burdened with taxes, and compelled to pay a share to support those who are out of employment today. The consequence will shortly be that her property will be gone, and she and her family will also be on relief. That emphasizes the fact that a tremendous burden is being laid upon the taxpayers, and we may very well ask how long those who are at present able to pay will be able to continue payments for relief. It is sometimes said that there is too much tendency to look to governments for relief. That may be true, but I think we have a right to look to governments for relief in cases where restrictions have been put upon people by governments themselves.

I want to call attention to a certain matter with which I have had to deal. Perhaps I will be criticized by members of the government for bringing this matter to the attention of the house, but I feel I would not be doing my duty to my constituents or to the people generally if I did not state the facts as I know them to be. Governments frequently make the statement that they cannot do this or that because of limitations imposed upon them, it may be by the constitution or by the demands of expediency. But we should remember that just as in war time things were done which perhaps would not be done under ordinary circumstances, so in times like these we may reasonably expect that governments will not hold to the rigid rules which might properly obtain under ordinary circumstances; and it is because I feel that the particular case I want to mention is one of those where it would involve no harm or injury to anyone to depart from that method of procedure which might have been justified in normal times that I desire to bring this matter to the attention of the house.

In one part of my constituency the farmers have for two years suffered from a plague of grasshoppers. A year ago feed crops were completely destroyed, oats and barley being a complete failure. They did manage to salvage a little wheat. This year the situation is very much worse. They have no grain crops and their potato crop has been also completely destroyed by grasshoppers. Shortly after reaching Ottawa I received a number of communications from men in my constituency, asking me to interview the government to see whether they could not possibly be induced to allow potatoes to come in from across the border in Dakota. In Dakota, I might explain, they grow rather extensive acreages of potatoes. In normal times they have a fairly good market to the south and so they grow large acreages, whereas we, not having a market, in some cases grow only enough for our own use. It happened also that in the north part of the state of Dakota there were some local showers which gave them a fairly good potato crop.

It was brought to my notice that potatoes could be bought at 10 cents per bushel on that side of the line, and later it became known that they could be had for the digging. I approached the government on this matter, writing to the Prime Minister, the Minister

of Agriculture and the Minister of National Revenue. An answer came to me from the Minister of National Revenue to the effect that 10 cents a bushel was a price that did not represent a fair market value, and so forth. I took that to mean—

Mr. RYCKMAN: I think the hon. member will find that the reply was that there was a duty levied by parliament upon potatoes coming into this country. That was point 1. Point 2 was that we did not feel we had authority to make a regional tariff.

Mr. BROWN: In that case I will read the letter I received from the minister:

Ottawa, October 17, 1932.

Dear Sir,—

I have been giving careful consideration to the representations which you made to me in your letter of the 7th instant, relative to conditions in the vicinity of Morden and Winklet, where there apparently has been a severe plague of grasshoppers which has resulted in the destruction of garden crops.

When you suggest that we admit potatoes free of duty when imported by the residents of this district, I dare say you have in mind the action which was taken some years ago in connection with the importation of hay. I do not feel that this is a proper remedy for the unfortunate conditions in which the residents of this place find themselves. It practically means the establishment of a sectional tariff which is unsound in principle.

I can scarcely believe that our producers of potatoes are taking advantage of the tariff to the extent which you indicate. Does the price of ten cents a bushel for potatoes just across the line in your opinion represent a fair market value? I am not familiar with the prices of garden produce in the district but ten cents a bushel for potatoes would seem to represent distress selling and unfair competition with Canadian farmers who are producing potatoes.

Yours faithfully,
E. B. Ryckman.

J. L. Brown, Esq., M.P.,
House of Commons,
Ottawa.

As you will see, emphasis is laid on distress selling. Now my whole objection to the attitude of the government is that they give attention to that particular phase of the matter rather than to the distressed condition in which some of our farmers find themselves. That was the first answer I received from the minister. I received a very urgent telegram from one of my constituents, as follows:

Potatoes are nine cents a bushel across the line today. Many in the ground to be had for the digging. Potatoes in Manitoba fifty-five cents a bushel. Request Ryckman once more to lift duty for relief-needing farmers.

That is signed by C. W. Wiebe, a member of the Manitoba legislature, and the date is November 1. Although I had received an answer to my former communication to the Minister of National Revenue, I felt it my duty to take the matter up with him again and accordingly I wrote, sending him a copy of Dr. Wiebe's telegram, and urging further consideration of the situation. I received this letter in reply:

Ottawa, November 3, 1932.

Dear Mr. Brown,—

I wish to acknowledge your letter of the 2nd instant, with enclosed telegram from Dr. C. W. Wiebe, M.L.A.

I do not feel that I can add anything to my letter of the 17th ultimo. There are better methods of relief than the creation of sectional tariffs.

Yours faithfully,
E. B. Ryckman.

J. L. Brown, Esq., M.P.,
House of Commons,
Ottawa, Canada.

I admit, Mr. Speaker, that under ordinary circumstances the course we advocated might not be justifiable. But take the situation as I have outlined it: starving men and women, and horses and cattle dying for feed, on one side of the line, and abundant potatoes on the other side—potatoes that could be had for the digging. Yet the laws of our country prevent these farmers having access to those potatoes. The result is that they have no potatoes at all. Since the minister says that there are better methods of relief than the creation of sectional tariffs, I wish to ask him now just what proposition he has to make to relieve these people. Under the circumstances I have a right to ask what method of relief is forthcoming. These people will have no potatoes for seed next year; they have no money with which to buy them. They have lost their crop for two years and are in dire need of relief. As I say, I admit that under ordinary circumstances the minister would have been quite right in the course he pursued. But, Mr. Speaker, these are not ordinary circumstances. We are not living in normal times, and it may very well be that we shall be compelled to adopt, not only in a matter of this kind but in many other matters as well, a course of action which otherwise we would not advocate for a moment.

I wish therefore in dealing with this question of farm relief to know just what proposition the government has for relieving the people whose situation I have brought to the attention of the house. Not only that, but still further west in my constituency, where the feed crop was also destroyed, horses and cattle are likely to die for want of proper feed. In this same local paper which was sent to me I read:

Horses will die on straw.

Many cases of sick horses are already reported, due to a steady diet of wheat straw. Lack of oats and barley, and prohibitive prices

for bran and shorts, will account for the death of thousands of valuable horses over southern Manitoba during the next six months. At present prices of wheat a farmer could afford to pay, say $5 per ton for bran, but $16 is out of the question. Must the horses die?

As I said, Mr. Speaker, it is not my intention to speak at any great length with regard to this matter. The situation is clearly before the house. We will admit that the government has done much to relieve the situation, but I do not believe it appreciates the full seriousness of the situation that confronts us. It is easy for a man sitting in a comfortable office in the city to look upon these matters with a degree of composure, but it is not easy for those of us who actually know the conditions and who, when we go home, will find ourselves face to face with our neighbours who are passing through the hardest of hard times. Can we wonder that there is a growing feeling throughout the country that the powers that be have but little to offer in the way of actually relieving the distress of the people?

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I rise to a point of order. On October 12 the right hon. the leader of the opposition (Mr. Mackenzie King), seconded by the hon. member for Melville (Mr. Motherwell) moved an amendment to the address to his excellency. One of the fundamental matters covered by that amendment was agricultural distress. I find upon referring to the amendment now moved by the right hon. gentleman and seconded by his chief whip that it covers identically the topic covered by the previous amendment. Under the rules of this house, as exemplified the other day in connection with an amendment moved by the hon. member for North Winnipeg (Mr. Heaps), the present amendment would appear to be out of order.

Mr. MACKENZIE KING: Mr. Speaker, on the point of order, may I say that the amendment now before Your Honour relates not to the past but to the future. It asks what the policy of the government is with respect to agricultural relief and what it will be during the months of December and January, at which time this house will not be in session. This information is asked for in order that hon. members when they return to their constituencies may be able to state exactly the government's policy. The amendment moved to the address in reply to the speech from the throne was as follows:

Whilst reserving any expression of view upon the merits of the agreements concluded at the recent Imperial economic conference, this house is of the opinion that the tariff policies of the present administration have seriously injured the trade of Canada and have intensified the economic depression, and that the government has wholly failed to afford a remedy for unemployment and agricultural distress as pledged by the Prime Minister.

The house regrets that, except the dole, the government has no policy with respect to the relief of unemployment.

It also deplores the government's obvious endeavour, by postponing the revision of the Bank Act, to avoid immediate consideration by parliament of the all-important subjects of banking, credit and currency.

There is in that amendment a specific reference to the fact that the government has not had any policy with respect to the relief of unemployment, but there is no reference whatever to the government's present day or future policy with respect to farm relief. The essence of the amendment which I have now placed in Your Honour's hands is the government's present and future policy in this regard. The amendment to the address contains the following: "the government has wholly failed to afford a remedy for unemployment and agricultural distress as pledged by the Prime Minister." Those words relate to the past, they state that the government had failed up to that time to implement pledges given with respect to the relief of agricultural distress, but I hope this failure on the part of the administration is not going to follow the lines suggested by what the hon. member who raised this question has said and be continued as long as this parliament lasts. While the government has failed in the past we hope that in the future it will try to carry out the pledges which have been made; at all events that it has some policy to deal with conditions as they are at the present time and a definite policy as to the future.

Without re-reading the amendment offered today it must be perfectly clear that it covers conditions of distress as they affect agricultural communities at the present time. It is offered in an effort to obtain from the government a declaration of policy which has not yet been made and which it is all-important should be made before this house adjourns over the months of December and January.

Hon. E. N. RHODES (Minister of Finance): There is only one point which I desire to emphasize in connection with the point of order, which I submit is well taken by the hon. member for York-Sunbury (Mr. Hanson), and that is that the rule referred to is intended to limit the discussion upon any one

subject to once in a session. The amendment to the address contained the words "the government has wholly failed to afford a remedy for unemployment and agricultural distress."

Mr. MACKENZIE KING: Thus far.

Mr. RHODES: I submit it is not competent for my right hon. friend to take the ground that he can project into the future and thus escape the rule. The rule is for the purpose of expediting the business of parliament, it states that there shall be but one discussion during one session upon one subject and if the interpretation were to be placed upon the rule which my right hon. friend seeks to place upon it, then it would be rendered null and of no effect. I submit that under the circumstances the point of order is well taken.

Hon. IAN MACKENZIE (Vancouver): Mr. Speaker, on the point of order. It seems to me that the distinction drawn by my right hon. leader is very marked indeed. The amendment moved to the address and the one now presented are entirely different, the one was condemning or sought to condemn the government's policy in the past while the other contains not the slightest suggestion of condemnation, it asks only for a declaration of policy with regard to the future. The present amendment is constructive, asking as it does for a declaration of policy; the other one, which was disposed of by this house, was a condemnation of the previous administration of this government. Surely the Minister of Finance (Mr. Rhodes) must admit that the two are absolutely different and that this discussion would not necessarily revive the discussion which took place in the early part of the session. This amendment seeks only to induce the government to be frank enough with parliament and with the country to give a declaration of policy with regard to what we may expect before we reassemble on January 30.

Mr. RHODES: If I may be permitted to reply to the hon. member for Vancouver (Mr. Mackenzie). I take no objection to his pointing out that the distinction in the two amendments as to what is sought to be done, but he forgets that the cardinal principle of the rule is that a particular subject can be discussed only once during the session. The rule cannot be affected by any variation in intent. This is the point which I endeavoured to make clear when I rose a moment ago. The rule has reference to a discussion twice upon the same subject in the same session.

Mr. MACKENZIE KING: As the minister has had an opportunity of further replying, perhaps I may be granted a like privilege. I would point out that as yet we have not discussed the present policy of the government with respect to agriculture. We don't know what the policy is, we want to know if the government has any policy and if so what it is: and that is the cardinal feature of my amendment.

Hon. E. B. RYCKMAN (Minister of National Revenue): Mr. Speaker, I feel it necessary to say but a word or two. I think the facts developed so far demonstrate that the present amendment is out of order. The amendment to the address contained these words: "the government has wholly failed to afford a remedy for unemployment and agricultural distress." All that the hon. member for Lisgar (Mr. Brown) has said up to the present time is that the government has failed to appreciate the agricultural distress, of which he gives instances. So it is traversing in toto the objects as found in the amendment moved by the right hon. gentleman.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, when the amendment to the address was moved by the leader of the opposition (Mr. Mackenzie King), I ventured to say to one of my colleagues that the effect of the amendment would be very greatly to shorten the session, for the discussion must necessarily be limited, because the opposition could not again traverse the same ground. If I expressed a little amazement at that time that the amendment covered so many subjects and so much matter, I thought it had some compensations, because they could not again be the subject matter of discussion. When the other evening I heard the amendment that we should tie the dollar to the pound, I saw at once the end of further monetary discussions in this house this session. When I heard the subamendment to the amendment moved by the leader of the opposition (Mr. Mackenzie King) in the terms in which it was moved, and the vote taken upon it, I realize that if the rules were to have any effect at all, we had further greatly limited discussion in this house for this session. My colleague the Minister of Finance (Mr. Rhodes) has pointed out the rule. It is aimed at the prevention of duplication of discussion and as I ventured to point out the other day, once this house has taken a decision upon a matter, it is not competent to take another decision upon it during the same session. That looks reasonable. Otherwise the conduct of business in

the house would be impossible and the protraction of the session interminable.

My hon. friends opposite saw fit, for reasons best known to themselves—and I am not complaining of their judgment—to risk many matters in one amendment and one subamendment. They risked, for instance, monetary reform, agricultural distress and other subjects of that character. They having risked them all in the amendment and the subamendment, the decision having been taken and the house having negatived in their entirety their proposals thus made, it would strike one as elementary under the terms of the rule that it is not competent to evade the rule by the suggestion now made. The amendment now before the house is palpably an effort to evade the operation of the rule. It is assumed you can say: I want to know what the policy of the government is going to be, and thereby evade the rule that prevents duplication of discussion. One might, if one were censorious, direct attention to the language of the amendment. One might observe it says that, whereas parliament has been assembled for a couple of months or, say forty-odd days, there has been no statement of policy. The answer might obviously be: Just look at Hansard. I do not wonder my hon. friend across the floor smiles. Every possible thing that could be said about everything under the sun will be found there, all the way from the Einstein theory down to the problem of the poverty of an individual in the most remote part of the country.

Mr. LAPOINTE: Is this on a point of order?

Mr. BENNETT: Yes. The amendment reads:

> And whereas, since parliament assembled the government has not made any statement of policy with respect to the relief of existing agricultural conditions—

And agricultural distress has been, as I pointed out, discussed. The next recital is:

> And whereas, the position of agriculture in Canada has become increasingly deplorable and, unless relieved, will bring about a condition of distress hitherto unparalleled.

It then demands a statement of what the government is going to do in the future. If there has not been a discussion on agricultural distress and the deplorable condition of agriculture, the English language is at fault in having recorded the opinions of hon. gentlemen opposite in the terms in which they are reported in Hansard. There can be no doubt that the government that made the motion and the opposition and other members who moved the amendments on which a decision has been challenged and taken, have exhausted the discussion this session on those matters. I did not view it as a matter that did not have its compensations. One of them is the operation of the rule which has just been invoked, because you cannot do indirectly that which you cannot do directly. The discussion having taken place at length, further discussion on the same matter cannot go on. The speech of the hon. member for Lisgar (Mr. Brown) was the best illustration of this. All you would have to do would be to compare that speech with those which will be found on Hansard since the house met on the question of agricultural distress. They will be found to be exactly the same except that the illustrations differ. If the question is one of monetary reform, all one has to do is to read Hansard. So far as this matter is concerned, I submit that what has been said by my colleague has been abundantly borne out by the rule and the amendment is out of order.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I was not in the chamber when the hon. member for York-Sunbury (Mr. Hanson) raised the point of order, but I have listened to my right hon. friend (Mr. Bennett). Objection is based on the amendment which was moved to the address. The only part of that amendment which refers to agricultural conditions is as follows:

> And that the government has wholly failed to afford a remedy for unemployment and agricultural distress as pledged by the Prime Minister.

That is, had failed at that time. That was the amendment moved to the address. This motion submitted by my leader wants the house to declare that in its opinion:

> The government should immediately announce what policy, if any, it has with respect to the relief of agricultural distress, and permit full consideration of the same before parliament adjourns over the months of December and January.

That is a wholly different matter. I submit that the apparent contention of the Prime Minister that because a matter has been discussed in any way, a further discussion during the same session is prevented, is altogether wrong. My hon. friends opposite have only to remember the session prior to the last general election when the matter of unemployment was discussed in the house at least ten, twelve or fifteen times. The rules prevent the house from discussing a motion which has already been decided. When a question has been submitted and decided by the house, whether by way of a bill or a resolution, the

same bill or the same resolution cannot be submitted again during the same session. But a discussion on agriculture or labour or unemployment or distress can surely be started in the house many times during the same session. I submit also what I submitted the other day that, according to Bourinot, even if the matter had been the subject of a motion, if it is only part of a former motion, it can be submitted again to the house.

Mr. C. G. POWER (Quebec South): Mr. Speaker, just a word on the point of order. It seems to me if the theory as laid down by the hon. member for York-Sunbury (Mr. Hanson) is to be carried out, it would be very easy for any hon. member on the government side to move an amendment to the address covering all subjects which could possibly come up during the session. The result of that would be that we might as well pack up and go home.

Mr. BENNETT: That would mean the defeat of the government. That is all.

Mr. POWER: I do not conceive the rule was ever intended to cover any such action as that. I believe, if we accept the point laid down by my hon. friend, we are extending the rule too far.

Mr. HANSON (York-Sunbury): Mr. Speaker, with the permission of the house I should like to give an additional reason. The motion now before the Chair is to go into supply. This is an amendment on a motion to go into supply. It is therefore a motion in the nature of a vote of want of confidence on a topic on which the house has already voted confidence in the government this session. That is the crux of the matter.

Mr. MACKENZIE KING: As the hon. member for York-Sunbury (Mr. Hanson) has spoken the second time on the subject, may I say that at no stage of this session has the house expressed confidence in the government's policy with respect to agriculture as it is to prevail during the months of December and January.

Mr. SPEAKER: The motion before the house is that the Speaker leave the chair for the house to resolve itself into committee of supply. An amendment concerning agricultural conditions in Canada and agricultural relief has been offered. The point of order has been raised that the amendment is out of order on the ground that it again introduces matter that was debated and disposed of when the right hon. leader of the opposition on October 10 moved an amendment to the address including the words "the government has wholly failed to afford a remedy for agricultural distress." Whatever the object of the amendment may be and whether it concerns past, present or future policy of the government seems to me to be beside the point. The question for the Speaker to consider is: Has the matter raised by the amendment been discussed and debated? The subject matter of the amendment now proposed was undoubtedly discussed and debated upon a former occasion, and to allow a discussion of this question now would be simply to repeat the debate that has been held on agricultural conditions. The amendment moved has not been accepted by the government, and so is a motion of want of confidence. The house refused to condemn the government's policy on agriculture by rejecting the amendment to the address. In view, therefore, of that decision and in view of the precedents I find this amendment, which deals with the questions of agricultural conditions and agricultural relief, to be not in order.

Mr. MACKENZIE KING: Mr. Speaker, I very much regret that I shall have to appeal from your ruling.

Mr. Speaker put the question as follows: The Speaker having decided that the amendment offered by Mr. Mackenzie King to the motion that the Speaker do now leave the chair is out of order, Mr. Mackenzie King appeals from that decision.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

| | |
|---|---|
| Anderson (Toronto-High Park), | Edwards, |
| Arsenault, | Embury, |
| Arthurs, | Ernst, |
| Barber, | Esling, |
| Baribeau, | Fortin, |
| Barrette, | Fraser (Cariboo), |
| Beaubier, | Gagnon, |
| Belec, | Garland (Carleton), |
| Bell (St. John-Albert), | Gobeil, |
| Bennett, | Gordon, |
| Black (Halifax), | Guthrie, |
| Bourgeois, | Hackett, |
| Bowen, | Hay, |
| Boyes, | Johnstone, |
| Bury, | LaVergne, |
| Chaplin, | Lawson, |
| Cormier, | Loucks, |
| Cowan (Long Lake), | Macdougall, |
| Davies, | MacNicol, |
| Dickie, | McDade, |
| Duguay, | McGillis, |
| Duranleau, | McGregor, |
| | Manion, |

Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Rogers,
Ross,
Rowe,
Ryckman,
Sauvé,
Senn,
Shaver,
Simpson (Algoma West),
Sproule,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétreault,
Thompson (Simcoe East),
Thompson (Lanark),
Turnbull,
White (Mount Royal),
Willis,
Wilson,
Wright.—85.

NAYS

Messrs:

Ahearn,
Beaubien,
Bothwell,
Bouchard,
Boulanger,
Bradette,
Brasset,
Brown,
Campbell,
Carmichael,
Casgrain,
Chevrier,
Denis,
Donnelly,
Dubuc,
Dumaine,
Dupuis,
Elliott,
Fafard,
Golding,
Goulet,
Gray,
Hall,
Heaps,
Howden,
Irvine,
Jean,
Kennedy (Peace River),
King, Mackenzie,
Lacroix,
Lapointe,
Luchkovich,
Macphail, Miss,
McKenzie (Assiniboia),
McPhee,
Malcolm,
Munn,
Neill,
Parent,
Perras,
Reid,
Rhéaume,
Roberge,
Sanderson,
Séguin,
Speakman,
Thauvette,
Totzke,
Vallance,
Weir (Macdonald),
Woodsworth.—51.

PAIRS

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

Messrs:

Anderson (Halton),
Baker,
Bell (Hamilton),
Bell (St. Antoine),
Beynon,
Bowman,
Burns,
Cahan,
Cantley,
Casselman,
Charters,
Cotnam,
Cowan (Port Arthur),
Dorion,
Dupré,
Ganong,
Factor,
Bertrand,
Mercier (St. Henri),
Raymond,
Euler,
Hanson (Skeena),
Butcher,
Rinfret,
Cardin,
Howard,
Blair,
Hurtubise,
Ilsley,
Verville,
Ferland,
Dubois,
Geary,
Gott,
Hanson,
Harris,
Jones,
Kennedy (Winnipeg),
Laflèche,
Larue,
Laurin,
Lennox,
MacDonald (Cape Breton),
Macdonald (Kings),
MacLaren,
MacMillan (Saskatoon),
McGibbon,
McLure,
Maloney,
Matthews,
Murphy,
Perley, Sir George,
Rhodes,
Robinson,
Ryerson,
Short,
Simpson (Simcoe),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Spotton,
Stanley,
Tummon,
Weese,
Weir (Melfort),
White (London),
Mercier (Laurier-Outremont),
Rutherford,
Veniot,
Jacobs,
MacLean,
McIntosh,
Girouard,
Boucher,
Fontaine,
Pouliot,
Urquhart,
Hanbury,
Fiset,
Mackenzie (Vancouver),
Power,
MacInnis,
Young,
Moore (Ontario),
Stewart (Edmonton),
Marcil,
Ralston,
Desrochers,
Taylor,
Heenan,
Mitchell,
Lucas,
Duff,
Cayley,
Garland (Bow River),
Fraser (Northumberland),
Hepburn,
Coote,
St-Père,
Spencer,
Motherwell,
Gershaw.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. CHARTERS: I was paired with the hon. member for North Wellington (Mr. Blair). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. McLURE: I was paired with the hon. member for Vancouver South (Mr. MacInnis). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. WHITE (London): I was paired with the hon. member for Medicine Hat (Mr. Gershaw). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugene Fiset). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted I would have voted against the Speaker's ruling.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. LENNOX: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. SMOKE: I was paired with the hon. member for South Oxford (Mr. Cayley). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BOWMAN: I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted I would have voted against the Speaker's ruling.

Mr. ST.-PERE: I was paired with the hon. member for South Hastings (Mr. Tummon). Had I voted I would have voted against the Speaker's ruling.

Mr. YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted I would have voted against the Speaker's ruling.

Mr. STEWART (Edmonton): I was paired with the hon. member for Neepawa (Mr. Murphy). Had I voted I would have voted against the Speaker's ruling.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against the Speaker's ruling.

[Mr. R. K. Anderson.]

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted I would have voted against the Speaker's ruling.

Mr. BERTRAND: I was paired with the hon. member for North East Toronto (Mr. Baker). Had I voted I would have voted against the Speaker's ruling.

Mr. MITCHELL: I was paired with the hon. member for North Simcoe (Mr. Simpson). Had I voted I would have voted against the Speaker's ruling.

Mr. TAYLOR: I was paired with the hon. member for Brantford City (Mr. Ryerson). Had I voted I would have voted against the Speaker's ruling.

Mr. LUCAS: I was paired with the hon. member for Victoria-Carleton (Mr. Smith). Had I voted I would have voted against the Speaker's ruling.

Mr. SPENCER: I was paired with the hon. member for Prince Edward-Lennox (Mr. Weese). Had I voted I would have voted against the Speaker's ruling.

Mr. COOTE: I was paired with the hon. member for East Calgary (Mr. Stanley). Had I voted I would have voted against the Speaker's ruling.

Mr. MOTHERWELL: I was paired with the hon. member for Melfort (Mr. Weir). Had I voted I would have voted against the Speaker's ruling.

Mr. DESROCHERS (Translation): I was paired with the hon. member for West Essex (Mr. Robinson). Had I voted I would have voted against the Speaker's ruling.

Mr. DUBOIS (Translation): I was paired with the hon. member for Charlotte (Mr. Ganong). Had I voted I would have voted against the Speaker's ruling.

Mr. FONTAINE (Translation): I was paired with the hon. member for Jacques Cartier (Mr. Laurin). Had I voted I would have voted against the Speaker's ruling.

Mr. FERLAND (Translation): I was paired with the hon. Solicitor-General (Mr. Dupré), the future representative of Canada in Paris. Had I voted I would have voted against the Speaker's ruling, which is prejudicial to farming.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. DORION (Translation): I was paired with the hon. member for Lotbinière (Mr. Verville). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. LARUE (Translation): I was paired with the hon. member for Yamaska (Mr. Boucher). Had I voted I would have voted to sustain the Speaker's ruling.

## SUPPLY—FARM FINANCE AND MARKETING

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, some very bright and noble ideas have been put forward during the last few days, but, unfortunately, all were lost before they arrived at the foot of the throne. Nevertheless, despite the casualties I make bold to send forth another to be slain if necessary. I beg to move seconded by the hon. member for Red Deer (Mr. Speakman) that all the words after the word "that" be stricken out and the following substituted therefor:

Whereas, the prices for farm products now prevailing are the lowest on record and do not bring returns to the farmer sufficient to meet the cost of the current year's operations; and

Whereas, farmers have in years past obligated themselves to pay large sums of money for goods and services and to repay loans advanced for the purchase of farm equipment and the carrying on of farming operations; and

Whereas, the principal sums of such debts had a relation to price the farmer was receiving for his products; and

Whereas, such debts are being greatly increased by unpaid interest charges and through the depreciated values of their products by which alone debt can be paid;

Therefore be it resolved; in the opinion of this house, the government, as emergency measures, should:—

(a) take such action as will lead to the writing off of all accumulated interest charges outstanding and to effect a substantial reduction in interest charges for the future; and

(b) bring the Canadian dollar at least to that point where Canada will have a parity of exchange with her chief competitors in the British market; and

(c) immediately consider the advisability of again paying a bonus on wheat, either on a bushelage or acreage basis; and

(d) that this house is further of the opinion that the government should create a "marketing board" competent to supervise and control the marketing of farm products.

Now, Mr. Speaker, I hope you will not look at that amendment until I get through speaking, because by that time it will probably be out of order. I am not going to speak very long, because last night when eleven o'clock came I had just about arrived at the point where I wanted to move the amendment which I have just moved. Then this afternoon when I was all primed up to make my motion I discovered that by the rules of the house it could not be done. I am very glad that the motion of the right hon. leader of the opposition was ruled out of order, because it gives me the opportunity to move mine. Now I hope you will find that you have got one that is really in order. I suppose that objection may be taken to the first clause of the amendment, on the ground that it is too drastic for us to ask that all interest charges that are overdue should be cancelled. May I point out that the economic conditions prevailing in Canada have automatically cancelled the income of hundreds of thousands of our working people, and the same conditions have cancelled a very large percentage of the income of our agricultural population. But while economic conditions have cancelled the income of farmers and of people who are unemployed, and very materially reduced the income of those who are fortunate enough to be employed, still interest goes on. Interest charges go on like Tennyson's Brook, getting bigger all the time as it comes towards the sea, and nothing is done to prevent that accumulation. Let me point out to this house what was done in connection with the loan made to the Canadian Pacific Railway last year. I must be careful to say that I am not opposed to giving the Canadian Pacific Railway a loan, I hope the government will give a loan to any organization that requires it, provided the government is in a position to do so. The Canadian Pacific Railway obtained $1,447,-222.71 from the government last year, and in return for that I presume they kept their shops open a month or so and thus gave employment to a number of people. But my point is that in the order in council dealing with that loan it is plainly stated that as soon as the railway company shall resume payment of the dividends at more than the rate of five per cent per annum the loan may be repaid. And repaid without interest. Now that is a very good precedent. If the government can lend money to any organization, Canadian Pacific Railway or any other, and not require them to pay it back until they are able to pay over five per cent dividends, and then permit them to pay it back without interest, surely it is not too much to ask that the government take whatever action it can to cancel the accrued interest against the agricultural population of this country. Surely every hon. member of this house will agree that it is entirely unfair and absolutely unjustifiable that the calamity of this depression should be borne by one class only of the community. By what right should coupon clippers be exempt from their share of the

difficulties brought about by circumstances such as these? All that we are asking is that the interest accrued during these periods of hard times should be written off.

The government may argue that this is a matter for the provinces entirely. In that connection I have had discussion with authorities in our own provincial government, and it is the opinion of those authorities that it is not within the right of the province to deal with interest charges, that it is within the right of the dominion. If it is argued as a point of order, I should certainly say the matter is in doubt, and that if it is not clear it should be settled now by a higher court. But, Mr. Speaker, you will notice that my amendment merely asks that this government shall take such steps as may lead to the writing off of this accrued interest. The government is already taking steps to call together the provincial premiers in a conference dealing with other matters, surely the Prime Minister or the Minister of Finance could ask the premiers of the provinces to consider this question, if it is clear that it is within provincal jurisdiction. If it is not clear, I suggest that the government should take that action directly, and let the chips fall where they may.

With regard to the bonusing of wheat, I am aware that the Prime Minister has made a statement in that regard. The substance of that statement the house will recall. The government has assisted in the hedging of wheat on the market for some time, believing that by giving such assistance they have maintained the price of wheat somewhat higher than it would otherwise have been. That may be true. But the fact is that the price is still far below anything that can be regarded as an economic price. Even if the assistance which the government has given to the grain trade has resulted in a little higher price, when that price is still so low that farmers cannot pay expenses, then the argument goes by the board.

May I draw the government's attention to an article which appeared in the London Times of November 11, in which is set forth something of the policy of the Australian government in respect to agriculture. In that dispatch we are told that in the House of Representatives Mr. Lyons, the Prime Minister, announced important modifications of financial policy designed to reduce the burden of taxation, and to provide relief for wheat growers by a bonus amounting to £1,250,000. We know that the wheat grower of Australia must sell his wheat in the same market as the wheat grower of Canada. Let it be remembered that to begin with the Australian wheat grower, with a currency value below that of Great Britain, his chief market, is at a very great advantage as compared with the Canadian farmer. Added to that is the bonus. So that he is in a position, if not to make farming pay, at least to stay in the farming game. Now, we urge that something be done to place the farmers of Canada on a basis of equal competition with other parts of the British Empire or with other countries that will compete with us for such wheat markets as there may be.

With regard to the next point, which deals with our competitors in the British market, I may say that Australia has a lower rate of exchange than any other country competing with us. It may be argued again that this matter has already been dealt with. It has not, I contend, and though I must anticipate its being ruled out of order, I submit that it is perfectly in order because it asks the government, not to deflate or to inflate or to do anything else of that character, nor does it necessarily propose any monetary reform, but simply suggests that we should bring our dollar to a parity with the money of Australia or of any other country with which we compete. That can be done by arbitrary action, by order in council; it can be done by statute of this parliament without altering the value of our money at all, by watering it this way or that. This feature therefore has not yet been discussed. Of course, if I were asked how it should be done, I would not do it by statute in that way; I would adopt a more sensible method. Nevertheless the government may do it without involving such an intricate question as monetary reform.

With regard to the last part of the amendment just moved, that dealing with a marketing board, I have nothing to say because there are others who will follow me in this discussion who have a greater knowledge of that subject than I.

These proposals put forward in our amendment are proposals which we think will meet an emergent situation existing today in agriculture. But this government should not be content with emergency legislation. It should be looking forward to some fundamental and constructive proposals going to the very basis of the difficulty in our economic life. There should be, for instance, some national planning in respect to increasing the consumption of goods in Canada, and national planning with regard to the intelligent production of goods in the country. What is the use of farmers continuing to produce an enormous surplus of wheat which we can scarcely give

away to other countries, let alone sell to them? But are we to starve in Canada because we can produce too much? That is the question of the day. That is the economic problem that confronts this government and all other governments, and I say that it is not sufficient for us, even if the government were to adopt the amendment put forward, to deal merely with the emergent condition that exists today; we want them to deal with the whole situation in a fundamental manner so that we may be able to go forward, constructing a new social order which will know what to do with abundance and which will not starve its people because it has too much.

Mr. ALFRED SPEAKMAN (Red Deer): In seconding the amendment which is now before the house, I find myself very happy in supporting something which I believe—

Mr. MACKENZIE KING: On a point of order, Mr. Speaker, is there an amendment before the house?

The ACTING SPEAKER (Mr. McDade): The amendment reads:

Whereas, the prices for farm products now prevailing are the lowest on record and do not bring returns to the farmer sufficient to meet the cost of the current year's operations; and

Whereas, farmers have in years past obligated themselves to pay large sums of money for goods and services and to repay loans advanced for the purchase of farm equipment and the carrying on of farming operations; and

Whereas, the principal sums of such debts had a relation to price the farmer was receiving for his products; and

Whereas, such debts are being greatly increased by unpaid interest charges and through the depreciated values of their products by which alone debt can be paid;

Therefore be it resolved; in the opinion of this house, the government, as emergency measures, should:

(a) take such action as will lead to the writing off of all accumulated interest charges outstanding and to effect a substantial reduction in interest charges for the future; and

(b) bring the Canadian dollar at least to that point where Canada will have a parity of exchange with her chief competitors in the British markets; and

(c) immediately consider the advisability of again paying a bonus on wheat, either on a bushelage or acreage basis; and

(d) that this house is further of the opinion that the government should create a "marketing board" competent to supervise and control the marketing of farm products.

Mr. DENIS (St. Denis) (Translation): Mr. Speaker, I think we should have the French version of this amendment, seeing that it is quite a copious one.

The ACTING SPEAKER (Mr. McDade): The amendment is now being translated by the official translators and will presently be available in French.

Mr. DENIS (Translation): I think the discussion should not take place until the French translation is available.

Mr. MACDOUGALL: I rise to a point of order, Mr. Speaker. I submit that it is entirely out of order for a private member to make any proposal involving the expenditure of public money, and the amendment which has been proposed involves such expenditure.

Mr. BENNETT: In the absence of the Speaker, I would suggest that decision on the point of order be reserved. Undoubtedly it is not competent for a private member to propose the expenditure of public money. I think that has been too often pointed out in this house to require discussion. It is equally true that it is not competent for this parliament to destroy contracts in provinces. And there are two other matters that have been discussed already, covered by the amendment. I will not express any opinion about it further, because the Speaker is not here, and I suggest that possibly speeches might be made on the motion to go into supply, without reference to the amendment, until the Speaker returns.

Mr. SPEAKMAN: The subject which has been again brought to the attention of the house is one that has been discussed from time to time. It was discussed last session and it had been discussed at sessions prior to that. It has been discussed from different angles during this session and undoubtedly it will be discussed again. But, Mr. Speaker, it is discussed so frequently and reiterated so often, not for the mere purpose of repetition. Take for example a body of men in this country who I assume are as keen and subtle students of human psychology as may be found—our expert and professional advertisers. Their campaign of advertising is carried on in the main upon one basis, and that is that it requires a constant repetition of undoubted truth, a constant repetition of fact, the hammering away like the constant dripping of water upon a stone until the facts are so registered upon the subconscious minds of the people that they are accepted almost automatically. For these reasons we have placed, and we shall continue to place before the house and the country, not only the conditions which require consideration but some of the sug-

gestions which we believe if put into effect will, to some degree at least, remedy the conditions which exist.

I shall not at this time dwell at length upon the condition which faces agriculture. With every statement which has been made as to the deplorable situation, I fully agree; with the statements and arguments in connection with the calamitous price levels, I am fully in accord, as must be every man and woman who knows anything about the subject. The fact that this condition cannot be perpetuated indefinitely or for any great length of time without bringing bankruptcy and ruin upon not only the farming industry but the nation itself, is equally obvious. It is possible that there are men and women engaged in other businesses, merchants, professional and business men throughout Canada, who adopt an attitude of serene and detached sympathy towards this matter. They are acting somewhat like the man who, standing safe upon dry land watches the struggles of some poor wretch overwhelmed in the turbulent waters, and contrasts his position of safety with that of the drowning man. The man who looks upon the possible ruin facing the agricultural industry and considers it as being of no concern to him, is about as stupidly unintelligent as the man who happens to be comfortably ensconced in the top story of a great skyscraper and, looking down upon the crumbling foundations, pities the poor chap in the bottom story. He says: How sad it is that that poor fellow will be soon in such an uncomfortable situation; he feels safe and unconcerned because he is far above the foundations beneath him but does not perceive his own peril. Business in Canada of every kind and all branches of industry are much in the position of such a man.

I shall not press this point, but I should like to draw to your attention, Mr. Speaker, and to the attention of the house, the fact that when we speak of possible ruin and bankruptcy, we are not simply using terms and expressions—we are stating facts. The facts are these: not only wheat, our chief commodity, but almost every product of the farm in western or eastern Canada, is being sold at a price far below that which will meet the legitimate costs of production and leave a profit. These prices will not meet the actual out-of-pocket expenses which are necessarily and inevitably incurred. Take wheat, for example. The price received is approximately twenty-five cents a bushel for No. 1 at local points in my province. That price fails to meet the cost of the seed, the cost of repairs, oil and gas for machinery, the cost of binder twine, and other incidentals in respect to harvesting and the cost of threshing and hauling in the crop. These are actual out-of-pocket expenses; I am not considering the value of the land or any interest which the farmer should receive thereon. I am leaving out of consideration his year's work and the value of his labour and management; I am leaving out of consideration even his taxes, and the interest which he should pay but cannot pay upon any debts which he may have incurred. It requires no mathematical genius or professor of economics to come to the conclusion that no business or individual could carry on indefinitely in that way without becoming absolutely bankrupt and ruined. These facts have been reiterated so frequently, stressed so often and challenged never, that one would imagine there is no thoughtful citizen of Canada who is not aware of them and concerned in their solution. The question will be asked, and it frequently is asked: what do you suggest should be done about it? Why weary the house with vain repetition? Why reiterate the facts which are admitted and deplored by everyone? I do not intend to shelter behind that bulwark so often erected and say: it is the responsibility and the sole responsibility of the government to find a remedy. I might do this, not only because in the government and there alone lies the authority and power through which and by which any action can be taken, but because in the government lies the capacity and means of knowledge and study which are not at the service of private members. The government has at its disposal the services of skilled and experienced men who have spent years in the searching and compilation of facts. In the Department of Agriculture there is a small group dealing with economics. These men have been employed because of their aptitude for and knowledge of this work. They are given the time and the salaries to continue their endeavours and explorations. I might well suggest to the government that having these avenues of information, the responsibility is theirs, not ours. However, I assume for myself and for every hon. member of parliament some share of the responsibility. I shall not take the attitude which was taken so often by the Prime Minister when he was leader of the opposition, when in reply to a similar challenge and question he said: "It is time enough to prescribe when the doctor is called in—we are not called in." In times like these, when the very foundations of our nation are shaking, when hundreds of thousands of men and women are suffering, one

should not stand upon technicalities. This is not the time to shelter ourselves behind the bulwarks of partisanship or of the particular position which we occupy in the house. So we shall do what we have done in the past, and offer what we can by way of suggestion.

I think the whole house listened yesterday with interest, with admiration and with deep feeling to the hon. member for Selkirk (Mr. Stitt) when he described so eloquently and passionately the troubles and miseries of some of our unemployed and the magnificent heroism which they had displayed. I cannot say that I agree with all he said; I cannot associate myself with him in his individualism and denial and denouncement of cooperative action, but I can associate myself with him in that passionate plea which he uttered for humanity itself. I agree, as I think we all must agree, that wonderful heroism is to be found among those fathers and mothers who are unemployed and who are striving earnestly and sacrificing heroically to raise their children in decency and comfort. They are, as he said, the unsung heroes. But there is another body of men and women who might well be said to be unsung heroes. I refer to the farmers of this country, who, month by month and year by year, facing the inevitable, but fighting still; who, year by year, seeing the hope of profit from last year's work vanish, seeing in front of them an almost impenetrable wall of hopeless economic destitution, continue to do their best. Year by year, with hope unquenched, with courage amazing, they plough their fields, again sow their crops and carry on their farming operations. No wonder this is said to be a "next year" country. But even those men, willing to gamble against nature, to strive against odds, must ultimately reach the end of their resources. They are reaching it today and they call upon us for help.

What can we do? We cannot conquer nature; we cannot conquer drought or hail or the vicissitudes of the weather or the climate. We cannot go forth into the world and raise the world price levels. We can do nothing of this. But we can do some of those things we have suggested and which I shall again suggest. As is pointed out in our amendment, the ruling upon which is suspended for the moment, one of the problems which presses more heavily upon the farmer than upon almost any other class is that of debt, that constantly increasing, pyramiding weight of interest bearing obligations. During these past years it is obvious that no average farmer, depending upon the product of his farm for all he earns, could pay the interest upon those obligations, let alone any portion of the principal. That interest, compounded every year, continues to mount up, and the debt, as has been stated in our amendment, has today reached an impossible point. In addition, the goods through which alone he may pay that debt—for he has no other source of income; he earns no wages—have so decreased in value that it takes an enormous and increasing quantity of them to discharge any portion of his obligation. Is that fair? What can be done? The Prime Minister very readily, and rightly, pointed out that it is not competent for parliament or the federal government to interfere in provincial contracts; in other words, that where contracts were made under provincial law, it was not possible for this government to interfere with or to alter their terms. I agree with him.

Mr. MACDOUGALL: I do not wish to interrupt my hon. friend, but I rise to a point of order, in view of the original objection that I raised, and also in view of the fact that the subject matter of the amendment is to be found on today's order paper under notices of motion as number 6 standing in the name of the hon. member (Mr. Speakman) who has just been speaking so eloquently. May I ask for your ruling, Mr. Speaker?

Mr. SPEAKER: Does the hon. member wish to speak to the point of order?

Mr. SPEAKMAN: I did not hear the point of order.

Mr. SPEAKER: The hon. member raises the point of order that the amendment is not in order. He implements his statement on the first objection and now asks for a ruling. If any other hon. member wishes to speak to the point of order, I shall hear it; otherwise I shall rule.

Mr .SPEAKMAN: Was the point of order based on the fact that a notice of motion stands in my name on the order paper, dealing with the question of debts and debt interest?

Mr. CASGRAIN: In part.

Mr. SPEAKMAN: Your honour, unless you wish to make a ruling now, I shall go on and not transgress the point of order raised.

Mr. SPEAKER: I must give a ruling. I cannot find that the amendment is not in order on the ground that it involves public expenditure. Subsection (c) is that the government—

—immediately consider the advisability of again paying a bonus on wheat, either on a bushelage or acreage basis.

That the house resolve that the government immediately consider the advisability of doing something does not involve public expenditure. But I do find that the amendment is not in order, first, because it entails discussion on the subject of agricultural distress and the relief of agriculture, which I have today ruled to be out of order, and, second, because it involves a matter of which notice has been given and which stands upon the orders of the day as it does under number 6 on today's order paper as a notice of motion standing in the name of Mr. Speakman, in which the matters raised in the amendment are set forth and similar remedies are proposed.

In support of that I would refer the house to Bourinot at page 420 in which it is set out:

> The ordinary rules of debate are applicable on this occasion.

That is, the occasion on which a motion is before the house for the Speaker to leave the chair so that the house may resolve itself into committee of ways and means or of supply. In this instance it is supply.

> The ordinary rules of debate are applicable on this occasion; for instance, a matter already decided by the house, or of which notice has been given, or which stands upon the orders of the day, cannot be discussed.

In my opinion, the matter which stands on the order paper of the day as number 6 in the name of Mr. Speakman is identical to that of the amendment now before the house. I therefore rule the amendment out of order.

Mr. SPEAKMAN: I thank you. I shall not further transgress by dealing with the matters covered by the point raised or by the resolution which stands in my name.

Mr. SPEAKER: The hon. member is in order in discussing the motion for the Speaker to leave the chair.

Mr. SPEAKMAN: Quite so. I was speaking at the moment on the question of the accumulation of debts. It was drawn to your attention that that part of my address was out of order. I understand, however, I may proceed in a general way. Therefore I shall leave that portion of it with this simple statement: The condition is obvious. In asking the government to take the lead in remedying this condition, we are not suggesting that it should transgress the law or should break provincial contracts or should interfere in provincial matters. We are asking this: In view of the fact that the situation has become impossible; in view of the tremendous potentialities that lie there and the effect upon the country as a whole, we ask that at the forthcoming interprovincial conference the federal government take the lead in setting forth the situation, and that in discussions with the provincial governments they together attack this problem; because unquestionably by a combination of the two authorities there will be sufficient power to deal with any matter affecting the welfare of our people. In respect of this debt we simply ask that the government take the lead in this matter; that they bring the provinces together in conference with the Dominion government, that each contribute its share of power and authority with a view to dealing with this matter courageously and frankly. The only way in which the end sought can be accomplished is, in my opinion, by a definite reduction of the amount involved. Is that fair? I think so, for after all when the money was loaned it had a certain value, and its value was what it would buy. Now any man who receives in return for his loan an equal amount of purchasing power, an equal value in commodities and goods, is being treated fairly and honestly, and is making a sacrifice which is slight in comparison with the sacrifice which is being made by many people in this country, including the agriculturists. Having said so much I shall leave that subject, in view of the ruling of Mr. Speaker, and shall proceed to other suggestions.

The second suggestion which is made, while it will not in itself cure the situation, is one upon which immediate action could be taken by the government in order at least in some degree to remedy the situation. The government, of course, cannot increase prices in the markets of the world. But the Dominion government has full power and authority to deal with our own currency and our own finance. While not suggesting that any change in our financial system or the amount of currency issued or the manner in which it is issued would meet all our problems and bring in the millennium, I do suggest that this is the most immediate and practical step which the government can take to partly remedy the situation which now exists. Other hon. members have mentioned Australia as an illustration, and pointed out the position of the farmers there. What Australia has done it seems to me that Canada can do. As a matter of fact, in other departments the government has recognized the situation and has taken action. Take, for instance, the question which has been discussed so frequently during the last few days in this house, the currency dump. Why is that applied? Because the government

recognizes that the manufacturers of Great Britain producing under a depreciated currency are able to do so at a price advantage as compared with the Canadian manufacturer, and therefore that advantage is in part removed by the imposition of a dumping duty. I think that that will be admitted by all to be the reason for the dumping duty; otherwise there would be no reason for the action that has been taken. It having been accepted then that the manufacturers of Great Britain are placed in an advantageous position in respect of their export trade by reason of their depreciated currency, by what reasoning can it be suggested that the same thing would not apply to this country? It is obvious from that very fact that depreciation or inflation, if you like to call it that, does not increase the cost of living or of production within the country to a degree equal to the advantage which it brings; otherwise the advantage would be taken away. So it is obvious that this is not only a practical suggestion which can be carried into effect by this government but one which, when put into application by Great Britain, Australia and other countries, has resulted in a definite and positive advantage to the producers of those countries. With the examples of those countries before us, this is no longer an untried experiment, no longer the fantastic dream of some theorist, but a practical matter which is being carried out in a businesslike way, and the results of which are obvious. Since it has reached that stage, not only do we not need to apologize for advancing the suggestion, but I think we are justified in urging the government to put into effect the same sort of measure here in order to give to Canadian producers the advantage which similar measures have already given to producers in other countries.

This question is of particular importance now to agriculture. In all the work that we have done in the last six weeks, in all the multiplicity of argument and debate, we have had in view one thing—increasing trade within the empire, increasing the percentage of trade that we shall do with the mother country, increasing the percentage of our farmers' goods which shall be sold in Great Britain. And yet, as we have pointed out again and again so long as we refuse or neglect to deal with this money question, so long will all our efforts in that direction be in vain, and so long will our farmers be unable to take advantage of the very opportunities which we have been trying to give them through these agreements. There again we have a real and definite reason for urging this government to try something of that sort in relation to our present agriculture.

May I suggest this? Even were there a risk involved, even were there some doubt and uncertainty as to the results, would it not be better to take action which offers a reasonable prospect of success than to sit here in paralyzed inertia while agriculture goes bankrupt and is ruined before our very eyes? This is a serious question, Mr. Speaker. When I came down here from my constituency in Alberta I left the farmers there still hoping for results from their crops, still hoping that something would come from these agreements, still hoping that during the present session and before winter comes some action would be taken by the government that would enable them to carry on. We have almost reached the end of this part of the session and are preparing to go home, and what can I say to them when I go back? What hope can I offer to them? What can I tell them has been done during these two months to meet their situation or to provide against the future?

There have been the agreements, yes; but as we have indicated, unless the money question is settled, they offer nothing for the present. Only the other day, Mr. Speaker, I got word that less than half of the crop in my own district has been threshed, that throughout that whole countryside, on account of the inclemency of the season, more than fifty per cent of the crop was still in the stook, and that some of it had been stooked and restooked two or three times and would be left there for the winter. No bonus on wheat can help a man who has not threshed his wheat, but in view of this calamity greater importance is being attached by our farmers to the smaller side issues. All they can hope for now is that they may get some revenue from their hogs and milk cows, their cattle and poultry. Their crop is a dead loss. Additional costs have also been piled up owing to the crop having to be handled over and over again, and the quality of the grain has deteriorated so that it is worth practically nothing; it will not be worth the trouble of threshing. That simply shows the increasing seriousness of the situation. The people there are waiting for something to be done—not simply waiting; they are doing all they can themselves, but they are hoping that something will be done by parliament which no body but parliament can do. So it is that we in this group suggest that parliament definitely and earnestly take action, whatever the risk, if any be involved, along

the lines which offer the most immediate prospect of relief by tackling this money question, and tackling it immediately.

There is another suggestion which we have offered and which we now offer again. As we go through Canada today, not only through our farms but through the large and small marketing centres, we cannot but be struck by the fact that the marketing situation is chaotic It would seem that everybody is doing what seems best in his own eyes. There is individual effort everywhere and no concerted effort anywhere. The whole situation, from a marketing point of view, is haphazard and chaotic. We suggest again, as has been suggested before, that to assist in this matter and to enable us to take advantage of the agreement, a law be passed which will appoint and organize a marketing board, a board which will have sufficient power and authority to bring order out of chaos and to direct and control channels of commerce so far as farm goods are concerned, not only for export but for the domestic market. Particularly should it operate in connection with our export goods.

As has been stated before and may well be repeated, we cannot take advantage of our opportunities in the British market unless we so organize as to control our exports, and to make absolutely certain that week by week and month by month quantities which can be absorbed are sent there. We should send no more and no less; the quality should be made uniform, and grading should be such as to be relied upon.

In short our suggestions are these: We suggest that the question of debt be tackled by the coming interprovincial conference, and that joint action be taken to reduce the amount of it. We urge that the government, with courage and intelligence, tackle the monetary problem, and at least give our farmers a chance by placing our money somewhat on a parity with our competitors, so that we shall not be labouring under a perpetual disadvantage. The difficulties connected with the monetary problem are just as effective as any customs tariff in keeping our goods from the markets of other countries. We suggest further that the government take the responsibility of appointing a marketing board so that the marketing of farmers' produce can be thoroughly organized, and so that they may receive full advantage of the best prices offering anywhere. Their exports should be so regulated that the right quality may be available in proper amounts in the proper market.

I am satisfied that if these three suggestions were carried out they would result in great good to agriculture. I am satisfied, further, that if these measures were introduced the farmers would take new courage and new hope, and new life would be given to the farming communities. I am satisfied that if these improvements are carried out the good will be reflected in less unemployment, improved conditions and better business throughout all parts of Canada.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I do not wish to prolong the session unduly without good cause, but in bringing before the house a résumé of the needs of agriculture I feel that I am justified in taking at least a little time at the end of the session to discuss matters which have been spoken to by the two hon. members who preceded me, and which may be spoken to by others who will follow. Agriculture, although only one of the basic industries of Canada, is the chief one. If it is not carried on at a profit and in such a way as to enable those interested in it to stay on their farms and continue to produce the primary products, then there is a very bad outlook for the general industry of Canada.

It is most unfortunate that the matter of agriculture has not been placed before the house by the government previously in the course of this session. During the last six weeks we have dealt with tariff matters which benefit chiefly the manufacturing interests. Hon. members in this corner of the house, and I believe some hon. members who do not sit in this corner, would have been better pleased had the government of the day made a definite statement early in the session concerning its policy with reference to agriculture. The condition of that industry is so bad, as the two former speakers have said, that today it has become without a doubt the most serious problem that we in Canada have to face. The government has come forward to safeguard the interests of other industries. On various occasions it has stood behind the financial interests in respect to certain accounts so that they would not operate at a loss. I could cite one or two cases of that kind. Then, we hear that money is being loaned without cost to the Canadian Pacific Railway Company so that they may open their shops. As I have stated previously, many of the tariff changes which we have been discussing have been in the interests of manufacturers. Further, the exchange dumping duties have protected the manufacturing industry, and while the interests of that industry have been safeguarded, agriculture has suffered a double loss.

As other hon. members have pointed out, our chief competitors, such as the Argentine and Australia, in selling their products in the old country enjoy a distinct advantage over the producers of Canada.

Mr. BENNETT: That is not what they say.

Mr. SPENCER: Without taking up too much time of the house, I should like to place on record the prices now received for some agricultural products. Today wheat is selling at a price lower than it has been in the last three hundred years. The situation is so serious that taxes cannot be paid, mortgages cannot be met, and bank loans cannot be wiped out. The banks consider agriculture to be such a bad risk that they will not make loans to the farmers. In that connection I should like to draw to the attention of the house an instance which came to my notice a few days ago—and may I say I could tell of many similar cases. A farmer applied for a loan of $50 with which to buy twine. He was reputed to be a first class farmer, had lived in one community for over twenty years, and had no debts against him with the exception of a mortgage on his property. He lives in very plain circumstances. However, when he applied for a loan of only $50 he found there was no response; not a dollar would be advanced for twine. The banks consider the outlook for agriculture so bad that they will make no loans. It takes seven bushels of wheat today to buy a 98 pound sack of flour. Oats have sold from five to ten cents per bushel. Ten bushels of No. 1 feed would buy ten pounds of rolled oats. Barley is fetching eight to eleven cents. Cream is about half the value it was in 1928. Hogs are selling at $2.40 a hundred pounds. I was informed the other day of a man who had sold a thousand pounds of pork and with the proceeds had bought the repairs for a couple of binders to do his harvesting. Beef is selling at from $1 to $2.75 per hundred pounds. Lambs are selling as low as $2.50 to $2.90; sheep can hardly be sold. Wool is selling at two to four cents a pound. As someone pointed out to me, it would take the value of two fleeces to buy a pair of socks. It would take a thousand pounds of wool to buy a decent suit of clothes. Hides cannot be sold. The other day in the south end of my constituency a farmer sent 52 yearling calves to market, and they brought him $460. At the same time eight beef cattle fetched $120. With such prices it is impossible for agriculture to carry on. It is regrettable to find that figures on the cost side of farming have not been reduced. Interest rates, for instance, have not only been kept up but are going higher, and freight rates the same. Such charges as commissions, elevator charges and so on are just what they were. I appreciate the act passed by this house a few days ago, brought forward by the Minister of Trade and Commerce (Mr. Stevens) making it possible to cut elevator charges. They are being cut, I understand, very little, but it will help a bit. But up to the present time they have been either as high as or higher than in previous years.

To give some idea of the seriousness of the situation, particularly with respect to the farmers of the prairie provinces—I am not in a position to speak for those elsewhere—telephones, which are most necessary in the farm homes, are being taken out, I might say by the hundred, until a telephone is hardly of any use to those who have them because so many are off the rural line. Farm implements are selling at war-time prices, and repairs have actually gone up. Oil and gas are up; barbed wire is likely to go up, with the tariff increases on two tariff schedules considered the other day. Cream separators, as we have also heard, have been put up 25 per cent on two schedules.

The feeling is so intense in the prairie provinces that mass meetings are being held in many places. At a mass meeting held at Mannville, Alberta, in my constituency, a short time ago, no less than three hundred farmers were in attendance. When you get three hundred farmers gathered at any point it means that some of those farmers have come from a very great distance. I am going to read a resolution passed at that meeting:

> Whereas, the present rate of exchange places the Canadian producer under a great disadvantage in the sale of his products, and whereas he is undersold on the world markets by competing countries, a situation only made possible by the exchange rate, therefore be it resolved that Canadian currency be immediately depreciated to the same extent as that of our competitors.

Another mass meeting is to be held in a couple of days at Kitscoty, Alberta, where I have no doubt that as great or a greater number of farmers will put in an appearance. In a manifesto that is to be presented to that gathering I read in part as follows:

> The outstanding and major issue today is the relation existing between debtor and creditor. Creditors demanding payment and debtors unable to pay.
>
> The creditor resorts to legal process, thereby compelling the unfortunate debtor to convert into cash any or all of his goods and chattels, regardless of the sacrifice frequently resulting.

If, as we submit, the present plight of farmers and others results from conditions over which they have no control, then they have not broken faith; are not shirking their responsibilities and have no desire to evade their obligations.

Then it goes on to say:

Therefore, be it resolved that as an emergency measure—

I will just give two items in this statement:

—the farmers be allowed to retain legally the proceeds realized from the sale of farm products:

1. To the extent necessary to buy goods and services to continue their farming operations.—

Surely that is in the interest of the country at large. If anything is done to drive the farmers off the land it will have a direct detrimental effect on all business.

2. That mortgage rights of foreclosure be stayed unless deliberate negligence by the farmer is proven.

We approach this problem not "in humility and ignorance," but with understanding and courage, firmly resolved to secure Canadian economic reconstruction.

Those last lines, Mr. Speaker, seem to me to place the matter very clearly before this house, and to state in no uncertain terms exactly how the people, who are suffering as we have pointed out, feel in regard to this situation.

I was interested the other day in hearing the hon. Minister of Labour (Mr. Gordon), say, I think with a good deal of satisfaction, that a large number of unemployed had been placed on the land—I believe he said some 66,000.

Mr. GORDON: No, I said that included people absorbed on the land—men, women and children.

Mr. SPENCER: I stand corrected. I can only say that I wish the Minister of Labour every success in his undertaking; for if they can be absorbed on the land and are able to stay there and get a living, then there is hope that conditions will improve. But I have great fears of the result. I have lived on the prairies for the last twenty-four years. I know exactly the conditions. I know what people have gone through and what they are going through today, and I fear that we are going to have a problem on our hands somewhat similar, maybe, a little smaller, because of the smaller numbers concerned, to that which we had in regard to the returned soldiers.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. SPENCER: When the house rose at six o'clock I had just referred to a large mass meeting that was being called in my constituency to discuss agricultural conditions. They are directing attention in their manifesto to the big issue of the day, which is the relation existing between debtor and creditor, the creditor demanding payment and the debtor being unable to pay. They say that so long as this condition exists there can be no successful farmers' strike, no production control, influencing of prices, security of tenure, retention of homes, or even obtaining the necessities of life. It is therefore not surprising, in view of this situation, that they should use the language which I quoted before six o'clock and which I repeat now:

We approach this problem, not "in humility and ignorance," but with understanding and courage, firmly resolved to secure Canadian economic reconstruction.

These people are carrying on the great industry of agriculture and they feel that their backs are up against the wall. They realize, after twenty or thirty years' continuous struggle to make their homes and to improve them, that the day has come when they are holding them with the greatest difficulty, and many are being forced off their land simply because they cannot pay a dollar debt with a thirty-cent product. This has meant greater difficulty to the farmer than anything else, because in those parts of the country with which I am most familiar, I am thankful to say, the returns from the land, so far as produce is concerned, have been on the whole very fair indeed. But the frightfully low prices which I outlined this afternoon make it perfectly impossible for these people to meet their liabilities, and something will have to be done at least to relieve the situation.

Comparing the farmers of Canada with those of Australia, particularly the wheat farmers, we find that not only are the Canadian farmers handicapped in the selling of their wheat, on account of the exchange caused by the difference between the Canadian dollar and the British pound, but the Australian farmer, one of their chief competitors, has the benefit of a nine cents per bushel bonus.

The situation as I have outlined it has meant that the standard of living on the farm has been reduced, and if something is not done to stop the continued deflation that

standard will fall still lower and lower until it will reach the stage where we shall be ashamed to refer to it.

If one travels through the country at all today one must appreciate the fact that no building improvements are being made; that help on the land is being dispensed with on every possible occasion; and that sometimes children are being kept from school in order to assist their parents. The fact that labour is being dispensed with means that the people are trying to get along with too little help, the result being that weeds are increasing and farms deteriorating, and needless to say land generally is falling to an absurdly low price, though even at that price very little indeed is changing hands.

I wish to direct the attention of the house to a type of farmers we have who are putting up a courageous fight, men who, when they went on the land thought that they had at least a chance of making homes for themselves, even if they might not make money. I refer to our returned soldier settlers. I was delighted the other day to hear from the lips of the Minister of Labour, who has charge of the soldier settlement problem, that not in a single case would the government enforce collections in these difficult times if it meant bringing real hardship to debtors who were doing their best to make ends meet. I think I am quoting the minister correctly. I am rather afraid, however, that he is not as closely in touch with what some of the collecting officials are doing at this time as he might be. I am continually having brought to my attention cases of real hardship if the one-third per cent of the crop is collected from the soldier settlers, which is due from them to the board. I am not going to bother the house with many of these cases, but I will put two of them on record.

The first one comes from a man named J. A. Brown, of Westlock, Alberta. His total crop comprised 828 bushels of wheat and 870 bushels of oats. If one-third is deducted for the soldier settlement board he will have remaining 552 bushels of wheat and 580 bushels of oats. After deducting seed and elevator dockage, he will have remaining 480 bushels of wheat at 26 cents, or $124.80; 480 bushels of oats at 8 cents or $38.40, making a total of $163.20. This man has school taxes to pay amounting to $54; municipal taxes, $22.45, and a threshing bill of $67.50, or a total of $143.95, and if you deduct that from the larger amount it leaves him with a balance of $19.25. He has a family of four to keep until next year, and he says in a footnote to the letter he has written me that ninety per cent of the other boys around there on soldier settlement farms are in a similar fix.

Mr. GORDON: After the receipt of that letter, did the hon. member forward it to the department?

Mr. SPENCER: I took the matter up with the department and they said that the official in charge was out west but that they would draw this man's case to his attention as soon as he came back. The next man is J. G. Adkins, Jr. His total crop amounted in value to $327, and if he deducts $109 for the board it leaves $218. His school and municipal taxes and threshing bill and binder twine amount to $201.36, leaving a balance of $16.64. This man has a family of seven. He tells me that his original debt in 1920 was $3,000. He has paid $2,000 and still owes $3,696. I thought I must be wrong in this figure and I looked up the record tonight; I have in my hand a statement from the soldier settlement branch at Edmonton showing the total debt outstanding to be $3,696.09.

I am quite sure that the minister, when he realizes the situation, will give this matter every consideration possible. I feel, however, from what he said in the house the other day, that he could not have been advised of some of these most difficult cases to which attention has been drawn by various members of the house. I am also quite sure the Prime Minister and his colleagues in the government must realize the serious situation of agriculture in this country, and that is one reason why I am surprised that a statement has not been made with regard to government policy, indicating how agriculture will be relieved.

I have here a clipping which is supposed to be a statement from a speech of the Prime Minister delivered in Calgary on December 30. Unfortunately I have not the year. This is what he said:

> The marketing of the wheat crop will leave our agriculturists without a sufficient competence for the winter months, and will find them, when the spring comes, without the seed for next year's crop.

This being so, I am surprised that no results have been obtained from the efforts put forth from different parts of this house to have the Canadian dollar tied to the British pound so that we might have some chance of competing in the British market.

For the last few days we have been discussing the problem of unemployment. In my opinion this problem is largely one of

purchasing power. None of us object to being what might be called unemployed, that is to have a little more leisure, if we have the wherewithal to spend while enjoying that leisure. The term "unemployment" is applied to those who are in enforced idleness with nothing to spend. If agriculture was put upon a paying basis, the unemployment problem would largely disappear, although perhaps not entirely. I am one of those who appreciate that if we make the proper use of science and invention, we will always have an unemployment problem unless we shorten the hours of labour. If agriculture was placed upon its feet employment would be given to several hundreds of thousands of people now out of work. There would be an increased purchasing power which in turn would provide work in the factories for large numbers of unemployed.

I feel confident that more people have been driven off the land by the hard conditions they have had to face, than the number put back on the land, as mentioned the other day by the Minister of Labour. I am continually receiving letters from municipalities stating that more and more people are in such circumstances as to become cares upon the municipality in which they reside. I understand that those who become charges are liable to deportation. I should like to know how many have been deported on account of the position in which they found themselves. I have before me the total figures for 1930, which show that 4,205 were deported in that year at a cost to the country of $138,220. I have no doubt that because of the hard times during the past two years, the total number of deportations now would be still larger.

It is because of the serious situation of agriculture that I have thought it worth while even at this late hour of the session to take up the time of the house as I have. I have no doubt other hon. members will cover other phases of this matter which I have not had time to deal with, but within the time at my disposal I hope I have brought some information to the attention of the house which will make those hon. members who are not in position to understand our problems appreciate them and realize, as we who live in the agricultural sections do, that the problem of agriculture is the greatest to be faced by Canada today.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, if I am not mistaken, if I understand aright, there is a motion before the house to go into supply. Perhaps it is a good thing that we have the motion to go into supply, the motion to go into committee of ways and means and the address in reply to the speech from the throne, because otherwise I would be at a loss to understand how we would find it possible to bring before this deliberative assembly the final analysis of public affairs with which we as hon. members of this chamber ought to deal. That is one impression I have received as an hon. member of this house, especially during the last year or two. As I have said, it is a splendid thing to have a motion before the house once in a while which will enable an ordinary member to take up the great questions and the great problems, financial and commercial, which concern this dominion at the present time. When we read our history we find that the Canadian parliament has sovereign powers in dealing with commercial treaties and with legislation. We have the competency now as a great assembly to pass the legislation we desire to pass in the interests of Canada. I think it is time that this house should reassert itself in connection with the freedom of discussion, the freedom of debate, and the freedom to take up any problem of paramount importance at any moment confronting the people of Canada.

There is no offending resolution on the order paper standing in my name; perhaps if there were it would be impossible for me to discuss what I want to discuss this evening. More than likely it would, I would be ruled out of order; I would not be allowed to say a word about the unemployment and farm relief problems which concern my riding, my province and dominion. More than that, if I had a question standing in my name on the order paper or if there were an amendment in my name before the house, presumably I would find it impossible to discuss what I am about to discuss. I am afraid the gag would be applied, I would be stopped and told that I was out of order. So far as discussing problems of special importance to my own riding and my own province is concerned, I would not have that opportunity. Because I have rightfully forty minutes of the time of this house at my disposal and because it is impossible to rule me out of order, I am only too happy to rise in this debate to say a few words in connection with one or two matters of vital importance.

One matter with which I am concerned is the problem of unemployment, the biggest problem before this country today. Why should we not discuss it fully and completely? Another problem before Canada is the

problem of farm relief. Why should any hon. member from western Canada or any other part of the dominion be stopped from discussing farm relief or unemployment? I cannot see any reason why he should, and as a member of this chamber I stand upon my rights when I say that so far as I am concerned I am going to do my duty to western Canada, to my own riding and to Canada as a whole by discussing these two important problems.

Mr. MOTHERWELL: Give them a crack about the Bright Fan.

Mr. McINTOSH: Yes, I hope to say something about the Bright Fan later on, and when I do I hope the Minister of Railways (Mr. Manion) and the Minister of Marine (Mr. Duranleau) will be in their places.

Mr. QUINN: What about the flag?

Mr. McINTOSH: Apparently the hon. gentleman is a small Canadian and he does not believe in a distinctive national flag. I shall endeavour later to put him where he belongs on that question.

Mr. QUINN: Can the hon. member spell "able"?

Mr. McINTOSH: Yes, and many other words that the hon. member cannot. If I may proceed, Mr. Speaker, in connection with the unemployment issue, we find on page 1455 of Hansard, in the address which the Prime Minister (Mr. Bennett) recently made to the house, the following words:

> I shall only summarize the situation by saying that the government has in course of preparation what we believe will be an appropriate agenda to submit to an interprovincial conference.

He is coming to grips with the unemployment problem at last.

> It is proposed to call that conference so that it may conclude its labours between now and January 30, when the house will reassemble. At that conference it is proposed to discuss all those matters that have engaged the attention of governments, both provincial and federal, with particular reference to the question referred to by myself on April 29, 1931, namely, the problem of unemployment and how it should be and may be dealt with under the divided jurisdiction which exists in Canada.

These are practically the concluding remarks of the Prime Minister on November 22. That brings me face to face with the problem of unemployment insurance, because that problem and kindred subjects the Prime Minister admits are to be discussed at a provincial-federal conference between now and the reassembling of parliament toward the end of January. Hon. members who have been members of this house for the last few years will realize that as far as the groundwork of unemployment insurance is concerned, that was done two years ago. It was done by the Liberal party when in power, in cooperation with our friends in the corner of this side of the house. We had an investigation before the industrial and international relations committee each year for two years, one in 1928 and another in 1929, and as a result of those two investigations that committee came to certain conclusions. One was that we accept and endorse the principle of compulsory social insurance, based upon compulsory contributions derived from the state, the employer and the employee. That is the backbone of any unemployment insurance policy. That conclusion was come to in 1928 under a Liberal administration.

Another conclusion arrived at was that as far as jurisdiction in the matter of unemployment insurance is concerned, it belonged exclusively to the legislatures of the different provinces. That was number two. Number three was that when the census should be taken in 1931, information in connection with unemployment insurance would be secured and action follow the securing of that information. Number four was that since unemployment insurance was a big problem, more than one province should go into the system. One province would not be enough; two provinces would not be sufficient, and the idea was that as many provinces as possible should take up the principle, hammer out the legislation and adopt unemployment insurance as a principle in industrial affairs in Canada. These are only some of the conclusions of the 1928 report of the Industrial and International Relations Committee. I might continue and say that in 1929, the next year, the problem was reinvestigated and practically the same conclusions were reached. The point I want to drive home is this, that when the Liberal party were in power, all the discussion in conection with this great problem was undertaken and completed; the groundwork for an unemployment insurance system was laid, and all the present government has to do is to take up where the Liberal party left off, show a little bit of courage, leadership and constructive idealism, and go ahead and evolve,—hammer out something that will be for the benefit of the industrial workers of this country.

In regard to an analysis of this intricate problem of unemployment insurance, there was one principle adopted in Great Britain. Across the border in the United States they have practically committed themselves to an opposite principle. In Great Britain they

adopted a national system of compulsory insurance, and across the line—where little has yet been done—the feeling is that every industry ought to be responsible for industrial economic stabilization within its own limits; that every industry should not only be responsible for the economic stabilization within its own limits, but should adopt a principle of unemployment insurance by itself, then every major industry could be linked up with the other industries of each state, have the state come in and cooperate with those coordinated industries and thus give to that state and gradually to the republic as a whole a coordinated system of unemployment insurance that would work out to the benefit of the entire nation. In Great Britain they have accepted the opposite method; they stand for a national system of unemployment insurance which is backed up in a public way and to which the public is committed. But in the republic to the south of us they believe industrial insurance is largely a problem of private industrialists and that by getting together and cooperating, they, as large employers of labour, can largely overcome the obstacles in the way and effect a solution of the unemployment difficulty.

I have not time here to go fully into the question of unemployment insurance. One could talk for an hour on that subject alone, because it is a highly complicated one. But may I say that it is recognized as a preliminary principle of great importance to have a coordinated system of labour exchanges right across Canada, and by manning those exchanges by experts, by having no person appointed to them except on the basis of merit, by having the state cooperate with those exchanges and by squaring away the question of jurisdiction provincially and nationally, I believe there ought to be no difficulty in Canada giving a splendid lead in regard to this very vexatious question. I hope when the conference meets between now and the first of January, the Prime Minister, as promised, will gather representatives of the provinces together, and by discussion, by conference and by analysis of the industrial situation facing the different provinces in regard to this matter, there will be arrived at some successful conclusion and as a result we shall see adopted in this country at no distant date a scientifically sound system of unemployment insurance.

When that problem is being worked out, the greatest care should be taken to safeguard the interests of agriculture. A system of unemployment insurance must be largely for the industrial employees of Canada. That system should be such as to secure for them an adequate livelihood, to get for them from month to month and year to year work, a job or relief, and not have them wrongfully on the dole as they are now from one ocean to the other. May I read at this point a letter showing the condition to which unemployment has brought many a citizen of Saskatchewan? This letter is from a man who taught school for many a year and then went into business. He went to British Columbia and is now back in Saskatchewan. This is his story. I think the letter will depict better than can the language of any hon. member, the situation as it exists today in that great wheat growing province of Saskatchewan. The letter, which is dated Esterhazy, Saskatchewan, November 15, 1932, reads:

Mr. Cameron R. McIntosh, M.P.,
Ottawa, Ontario.

Dear Mr. McIntosh:

I am writing to beg that you remember me if you know of, or should hear of any kind of position.

I have nine children to feed, clothe and educate. Their suffering and illness for lack of necessities prompts me to write to you. Their present environment and condition if not soon improved is bound to influence their future as Canadian citizens. We are now staying with relatives who cannot afford to keep us, but as the alternative is exposure on the road allowance—

Note that, Mr. Speaker:

—we are compelled to share their little. I was compelled to leave Spiritwood last summer because my wages were cut down to a point where I could no longer exist. I sold my household goods to obtain funds in an unsuccessful attempt to better my condition. This is the first time in twenty years that I have been out of work. This is my reward after twenty years of service in Saskatchewan. By your acquaintance with me you know that I did not waste my money, but all I could earn I spent on my family. If it has been unlawful to raise a family I have no reason for annoying anyone, but for the sake of my innocent children I must exert every means to obtain employment and only experience could make you realize the abominable horrors of unemployment, the demoralizing influence of its agonies.

Will you please advise me of any openings you may know or hear of anywhere in the province or in Canada?

There is a letter, Mr. Speaker, that shows exactly the condition of affairs of many a head of a family in the province of Saskatchewan. I drew to the attention of the house the other day the fact that those seeking relief in the city of Saskatoon, and I believe it is true of other cities in western Canada, have to sign a document mortgaging their little homes, for which they paid $300 or

$500 or $1,000, as the case may be, before they can get one dollar of relief. From the standpoint of the state, or the strictly legal standpoint, to take the best possible security you can get, may be a good proposition, but looked at from the standpoint of national justice and common decency to an individual citizen who has done his part in the building up of this dominion it is a very hard thing to endure. To show what is going on, I will quote from a telegram I received:

> We are asked to sign a document that on demand we should give a mortgage on our homes and chattels, also all moneys that are earned except statutory exemptions; further that any relief commissioner or its officials can enter our homes at any time they see fit.

Commission officials can enter a home and pester the life out of any head of a family in the province before he is given a dollar of relief. My mind reverts to what makes the state. I realize that the home stands for the building up of character, that the church stands for upholding the principle of righteousness, that the school stands for the development of the mentality of every pupil, and if I read history aright any nation worthy of the name has always stood for justice. But what I have described is not justice. It is the sort of treatment, however, the poor people in Saskatoon and other Saskatchewan and western centres have to put up with before they can get one dollar of relief. If they must mortgage their homes before they can get relief they must do it, because after all life is sweet, and before a man will see his loved ones starve to death he will mortgage his home and everything he has in the world. If he does not he will find himself on the roadside.

May I say on behalf of all those people who are out of work in the province of Saskatchewan and on behalf of all those who find themselves in straitened circumstances that I fully appreciate their great difficulties, and so far as I am concerned I have taken this opportunity to put their situation clearly before the house in order to urge the government as strongly as possible to alleviate their distress and remove the conditions complained of. Of course, I know what the answer will be. It will be constitutional in its nature. We will be told, as the Prime Minister told us the other day, that this is a provincial problem, that the dominion which votes the money passes the administration on to the province, and that the province must work out the problem as it sees fit. But apart from all those intricacies of law and constitutional government I wish to emphasize that the cases which I have put before the house tonight are of such a nature that it is imperative for the government to do something to encourage people in such a desperate situation so as to make their lot in life at least a little easier.

I have only time to touch the fringe of the farm relief problem. May I tell you what is going on in the province of Saskatchewan? I do not want to find fault with my hon. friend the Minister of Labour because I know he has a very difficult problem. I must say that any time I have put before him a question dealing with farm relief and called to his attention the serious conditions in regard to unemployment, he has given consideration to the matter. I cannot say that in every case the grievance which I have presented has been redressed, but at least the department has interested itself in the case and taken certain action. The problem in northern Saskatchewan is this. Thousands of settlers have trekked from the southern part of the province to the northern part. They have gone north where there is water and bush and land and animal life. It is in the south that the dried out areas are and to-day we have in northern Saskatchewan hundreds of people who are finding it difficult to exist. They may have to go back to their lands and homes in the south because they are on a type of land and farm in the north upon which they will have some job to make a living and raise a family. May I draw the attention of the house to a meeting that was held at Medstead in my own riding early this fall. Here is how one of the reeves present at that meeting—there would be fifteen or twice that number of reeves and councillors and secretaries at that meeting gathered to discuss farm relief and the movement of settlers from Moose Jaw, Saskatoon and Regina and the dried out areas in the south into this part of the province—sized up the situation. Reeve McDonald of Spiritwood had this to say:

> He explained a number of settlers from the cities and the dried-out areas had come into the Spiritwood district. They were without crop this year and available cash worth mentioning.

No crop and no cash:

> They were put on poor land, land so poor, rocky and bushy that store bills would have to be run up and sixty per cent of the taxes remain unpaid.

He says further:

> I consider it was utterly impossible for many of these people to exist on the type of farms upon which they were placed. He also mentioned how last winter the provincial government sent to certain individual farmers in

the district hired men and housekeepers for which the people of the province had to pay $10 a month and who were absolutely unnecessary, only causing an uncalled-for burden on the province. Every application for help should be scrutinized.

That is his idea of the back to the land movement in Spiritwood rural municipality.

Mr. GORDON: May I say that Reeve McDonald is just fifty per cent out in that last statement the hon. member read, because half of the ten dollars is paid by the Dominion government.

Mr. McINTOSH: Whether or not he is out on the amount is not the main point, I presume that he is striking at the principle, that these people were sent to farm homes by the provincial authorities and the municipality never asked to cooperate or have a word to say about any of these contracts.

Let me go a little further. We have the words of Reeve Charles Comerford, a man who has been in that country over twenty years. He says:

The municipality had asked for a $2,000 to $3,000 grant, but the answer received was grant could not be given because Meeting Lake R.M. was not in the relief area. Notwithstanding this request and answer the "dumping" of families was going on. In one and a half years forty families had landed in the municipality and already these families had fifty children that had to be schooled. No help was forthcoming from Regina. Reeve Comerford said he objected to the principle of such land settlement schemes where men and women had not a chance to make good on land that should not be settled.

Then a little farther on I find the following:

Department of Education, Regina, promised $400 grant for new school providing settlers would erect walls but building remained unfinished and meanwhile fifty children have no school advantages like other children. Mr. Comerford said he repudiated municipally as far as his municipality was concerned any responsibility of cost of upkeep of all such people wrongfully unloaded upon Meeting Lake R.M. "Dump" families should be looked after by federal and provincial governments.

That was his analysis of the problem. Let me read a little more. What did Reeve Soderberg of Medstead rural municipality have to say?

Reeve Soderberg at this juncture in the discussion gave it as his carefully arrived at opinion that families placed on the rough useless land complained of would find it impossible to succeed.

Note the expression "impossible to succeed". Then the article continues:

If experienced farmers could not make a living on these farms how can we expect families from the cities without money and experience to do anything else but fail.

[Mr. McIntosh.]

Mr. MANION: What is the hon. member quoting from?

Mr. McINTOSH: From the North Battleford News, a most reliable paper.

Mr. MANION: The hon. member owns that paper?

Mr. McINTOSH: Certainly. I was at the meeting myself, and therefore I know the report was correct.

Mr. SPENCE: The hon. member is reporter, editor and everything else.

Mr. McINTOSH: Yes, variety is the spice of life. Next we will see what Reeve William Grimes had to say:

Reeve William Grimes, Parkdale R.M., was the next speaker. He said Parkdale R.M. of which he was head wanted good settlers—they are an important addition to the well being of any municipality. Up to the present Parkdale R.M. has had no trouble with the so-called "$300 land settlement class." The hospitalization of mothers, children and adults admittedly was a real problem costing money. The medical attention demanded by mothers, children and others outside the municipality and resident in the local improvement districts also presented another major difficulty. The Department of Municipal Affairs, Regina, had promised payment of all the medical costs defrayed by the R.M. of Parkdale for patients from the local improvement district contiguous to Parkdale R.M., but as yet no money had been remitted—the municipality being meanwhile out all moneys paid, an altogether unfair condition of things. Taxes in many cases have not been paid for five to ten years; tax collections are impracticable with costs unpaid if contracted; many other obligations are also piling up. Burial and cemetery costs (for a municipal cemetery) have had to be met. The settlement move of the last year in which settlers bought Canadian Pacific railway bush lots paying $25 cash and supposing to have in their possession certain stock and equipment has not worked satisfactorily. In many cases these settlers have not had the stock and equipment required yet have been placed on difficult lands with no real chance of success. Relief has been and in many cases will be requested. Without horses, wagons, stock and equipment how can these people get anywhere? They cannot. No taxes paid, nothing received in lieu of taxes, and no action for redress on the part of the Canadian Pacific railway. Department requested reeve and secretary to visit all families in predicament but this has and will not be done as municipality does not consider itself responsible for a land policy in which it was not invited to have any say.

There is the foundation for the grievances of many people in the north, namely that these people were unceremoniously dumped into the north country from the cities of Saskatoon, Regina and Moose Jaw. They were dumped without having the required amount of money, the required equipment or the required experience. They were placed

in various municipalities, and received little or no cooperation from the provincial authorities. They are on poor lands, and these reeves say that their chances of success on the whole are nil.

Mr. GORDON: I should like to ask a question. Does the hon. member know whether any of these people have been supplied relief by the municipalities?

Mr. McINTOSH: Relief?

Mr. GORDON: Yes.

Mr. McINTOSH: Yes, I understand they were supplied with some relief. In some cases they cut cordwood for practically nothing; they received hardly enough to exist on because they were poor axe-men. They were without the required money and were settled on land which did not offer them a chance in the world so far as making a decent living was concerned. The fundamental weakness of the policy behind the whole movement was that there was no cooperation between the department and the municipalities. Had they sat around a common conference table they could have, in half an hour, placed families at points where they would have had some chance to make good. In that way far-reaching action could have been taken.

Listen to the words of Percy Marks, the constable of Medstead village:

> Percy Marks, Medstead constable, drew the attention of a unique case of settler "dumping" taking place in Medstead that afternoon when a mother and four children were left by the government relief officer in the Canadian National Railways station. The mother had fifty cents in her pocket to take care of herself and family till her husband somewhere nineteen miles away would turn up. Relief officer and mother same afternoon had searched for husband but could not find him, he being on some inaccessible farm on which it was said anyone could not be expected to do anything else but surely and slowly starve. The mother and family had to be taken care of by Constable Marks after relief officer had left her in station and directed his way to Saskatoon. The woman and family were from Saskatoon —one of the city's selected settler units for "the north." The meeting was astounded to her such a damning example of government inefficiency in regard to northern settlement and asked its secretary to act in behalf of mother and children without delay.

Mr. Speaker, I believe I have read enough to show what this much-heralded northern settlement means, what going back to the land means, what the movement back to the northern lands in Saskatchewan means, so far as northwestern Canada is concerned. Before the meeting I have described broke up they appointed a resolutions committee which drew up resolutions concerning the wise settlement of these northern lands, financing of settlers, and a third one directed against dumping. I presume the fight is still being waged in these municipalities; no doubt they are still trying to get the provincial government to give the necessary relief, financial and otherwise, so that these families may have a chance to live.

In closing I should like to touch upon a point discussed by the hon. member for Battle River (Mr. Spencer), namely that of soldier settlers. Soldier settlers in North Battleford and Lloydminster are organizing. When we know that soldier settlers are organizing we realize that they have some reason for so doing, they are not organizing for fun. They are not organizing because it is a pleasure to hold public meetings; they are forming themselves into an organized body to get redress. They are organizing because they feel they must do that or later suffer. They are organizing because they feel if they did not they might be evicted from their farms. They are organizing so that they may demand justice and common sense action—justice from the department and common sense action on the part of the soldier settlement board. As far as their contracts with the department are concerned they feel that they have not been accorded by the soldier settlement board the treatment to which they are entitled; therefore they are dissatisfied. They feel that they bought farms at inflated prices, and apart from reductions, the amount owing is out of all proportion to the earning power of the land. They also feel that, as far as liquidation is possible, if their farms were liquidated today they would not pay their way. Debt piling upon debt, principal added to principal, interest added to interest. Moreover Mr. Speaker, the soldier settlers feel that they have done everything possible to pay their way. They do not think their present lot is their fault. They feel that they have a legitimate grievance, and they are going to do their utmost to have that grievance removed. They are not able to control the factors which constitute the basis of their grievance. They have been told by the department that they must pay, and if they do not they must get out. Now it is impossible to pay, so they have organized, with two objectives, one immediate and the other secondary. They are organizing to meet the immediate problem of their debts, how to pay their way and stay on the land. The other reason for organization is that they feel that they have an objective to which they must drive on; if they

do not they are going to be lost, because they feel that they cannot pay their principal and interest. They are faced with the threat of being evicted from their property and dumped on the roadside, and they feel that the only thing to be done is to have the whole situation investigated by the department and redress meted out in some satisfactory manner. I notice that the Minister of Pensions and National Health (Mr. MacLaren), is not in his seat, if he were I would ask him if he intends investigating this soldier settlement question. Or the hon. Minister of Labour (Mr. Gordon), I think I did ask him that question recently on the orders of the day and he turned it down flat, said that there would be no investigation.

Mr. GORDON: Mr. Speaker, I am so sorry I did not hear the question.

Mr. McINTOSH: The question is, the soldier settlers feel that, to stay on their land and pay their way there must be a reinvestigation, full and complete, of the soldier settlement problem, and they must be given redress. They must have revaluations and reductions, because at the present time what they owe for the land, principal and accrued interest, is out of all proportion to its earning power, and payment is impossible. The department is investigating the administration of the pension act, why not couple with that the administration of soldier settlement affairs across northwestern Canada? If there is anything wrong with soldier settlement, if these grievances are well founded, then in the name of Canada and Canada's honour,—we gave them our word of honour in 1914 that we would stand by them and their children and dependents,—I would say as a member of this house that we ought to get the report of a parliamentary committee, or any other committee that would get the facts, and then act upon those facts.

I would like to read about the lot of one soldier settler—I have time for only one. This man resides on section 16-45-14 west of the 3rd, has a half share.

Mr. GORDON: What is his name?

Mr. McINTOSH: I will give it a little later. The man had 693 bushels of wheat as his half share. The soldier settlement board seized the whole of it and after it was hauled to Whitkow, to market a short distance off, they released all over two thirds of the crop. Their seizure was 462 bushels, he was left with 231. He sold it at 27 cents and realized $61.67. Then he had some Canadian Pacific land, section 17-45-14 west of the 3rd, on which he harvested 947 bushels. The total proceeds were $284.10. From the soldier settlement board part he had $61.67, making a total of $345.77.

Here was his outlay: threshing, Canadian Pacific Railway section, $47.35; threshing, soldier settlement section, $34.65; loan from his son repaid, $27; insurance, $10; haulage, $40; grocery bill, $59; John Garland, $12; Bank of Commerce, interest on note $40; taxes, Canadian Pacific arrears only, $35.69; blankets, $15; hog, for meat, $7; and he paid miscellaneous bills, $6.50. These bills total $334.19. Subtract that from the $345.77, the proceeds of his wheat, this soldier settler has left the glorious sum of $11.58; "this is now spent" he says, and he has no seed, no grist, no winter clothing for wife and family of four children, and is short of bedding. The name of this soldier settler is A. G. Sibley, and he lives about 20 miles from North Battleford. I may say this man's case is under investigation now by the department I think. I understand General Ross and the commissioner of soldier settlement are out west now investigating a certain number of cases, and I think from what Mr. Sibley said in his last letter they were investigating his case. What, if anything, will be done for him I cannot say.

Mr. ROBERT McKENZIE (Assiniboia): I am glad, Mr. Speaker, to have an opportunity of taking part for a few minutes in the discussion of the question of farm relief, and of saying a few words on unemployment. I do so because the people of my part of the country are more concerned in knowing what this government intends to do in the matter of farm relief than they are in anything else that is before this parliament, not excepting the conference agreements. I realize that the government of today have a great many difficulties to face, but some of them were brought about by their own action. I want to show that agriculture today is suffering to a far greater extent than any other industry in this country. The situation briefly is that in recent years the bottom has completely dropped out of all markets. In December, 1929, wheat was worth $1.40 a bushel. A year later it had dropped to about 80 cents. In 1931 it had dropped to about 62 cents. This year I have the quotation for November 21: No. 1 northern wheat closed at 47⅛ cents, Fort William price. Oats have dropped to 24½ cents, barley to 30⅞ cents, flax to 70 cents, and rye to 30 cents. The position is the same in regard

to live stock; I believe I gave some statistics in regard to that last year. But I point out that even these low prices are not the prices the farmer receives. From the 47 cents for wheat must come elevator and freight charges; so the farmer in western Canada today is receiving for wheat at least 25 cents a bushel less than the actual cost of production. In view of this I do not believe there is any justification for the government taking the stand they have taken in regard to the wheat bonus. Last year I presented to the house a resolution asking the government to consider extending an acreage bonus on wheat. I said at that time that I did not believe in the bonus principle, but it was my view that if all other industries in the country were to be bonused by means of high tariffs then the farmers were entitled to their share.

The prices of all farm products have come down; the bottom has fallen out of the industry, and the farmer has to buy at high prices the commodities he needs. Those prices are the result of tariffs imposed by this government. The price of everything the farmer has to buy is high and he is producing his own commodities at below cost of production. The Minister of Agriculture (Mr. Weir), during the last session, and I believe the Prime Minister (Mr. Bennett) said something to the same effect. At any rate, the Minister of Agriculture said last year that he was responsible for bringing to the attention of the Prime Minister and the government the necessity for a bonus on wheat. He said he saw the necessity for such a course in view of the fact that the wheat farmers of Canada received little or no benefit from the tariff, and he suggested a bonus on wheat as a compensating adjustment for the high tariffs imposed. Now I claim that if a compensating adjustment was necessary last year, in the form of a bonus of five cents per bushel on wheat, then we are not asking too much if we request a bonus of $1 an acre to be paid to our wheat farmers this year.

I have said that farming in Canada is suffering to a far greater extent than any other industry, and I think I can prove that from one of the bulletins prepared by the department—the Monthly Bulletin of Agricultural Statistics for March, 1932. I will not quote very much from it, but in 1928 the gross annual agricultural revenue of Canada—that is, of field crops, farm animals, wool, dairy products, fruits and vegetables, poultry, eggs, fur farming, maple products, tobacco, clover and grass seed, honey, etc., was $1,806,000,000; in 1929 it was $1,631,000,000; in 1930 it was $1,262,000,000, and in 1931 it had dropped to $880,000,000, just about one half of the average of the previous six years.

Now I turn to the province of Saskatchewan and I find that in the year 1928—I do not go further back than that—the gross agricultural revenue was $409,661,000; in 1929 it had dropped to $299,304,000; in 1930 it had fallen still further to $190,288,000; and last year the figure was $106,686,000. In other words, in 1931—and I believe it will be lower by a considerable sum this year—it was only about one-quarter of what it was during the six years from 1925 to 1930. This table goes on to say:

> The table shows that, for 1931, the total gross agricultural revenue of Canada is estimated at $880,241,000, as compared with the revised estimate of $1,262,047,000 for 1930, which is a decrease of $381,806,000, or 30 per cent. There are reductions in all the items with the exception of tobacco, the largest being in field crops, farm animals, dairy products and poultry and eggs.

Not only has the revenue from our agricultural industry declined, but the trade of Canada has diminished very rapidly in the last few years. There is an axiom that trade is the life blood of a country, and if Canada is going to survive we must have trade. There is where I believe that the tariff policies of this government have added to the burdens of agriculture in stifling trade. It seems that this government rather pride themselves on the fact that they have kept out imports from other countries. They seem to be averse to imports of any kind, completely overlooking the fact that every period of prosperity in Canada has been a period of large importations, and that when imports decline there is a decline in business generally, followed by depression. The same is true of individuals. We cannot purchase goods if we have not the money. The government, by discouraging imports by reason of high tariffs, have demoralized trade.

I turn to the Commercial Intelligence Journal giving the exports from Canada to the United States of a number of commodities such as are produced on Canadian farms or manufactured directly from such farm products. Figures are given for the four months ending October in the years 1920, 1929, 1931 and 1932, and this publication also sets out the United States tariff rates. It shows that as the tariff rates increased in the United States the exports from Canada to that country decreased. In 1920, for the four months ending October, our total exports to the United States of agricultural products amounted to $53,768,874; in 1929 this had decreased to $19,862,983; in 1931, it was $3,524,582; and

in 1932, for the four months ending October, the figure was $1,235,599.

I quote these figures merely to show the effect of high tariffs on trade. Someone will say, of course, that we are not responsible for high tariffs in the United States, but it just shows that high tariffs do stifle trade. Let me give another glaring example. I have a return showing our trade with the Argentine, a country with which we did considerable business a few years ago. The hon. member for Argenteuil (Sir George Perley) visited the Argentine on behalf of Canada two years or so ago, I believe, and he spoke in glowing terms of the possibilities of trade with that country. I have here the imports from the Argentine in 1930 and 1931, and I have them also for the ten months ending October, 1931 and 1932. In 1930 our total imports from that country were $7,641,000; in 1931 they had dropped to $3,205,430. Our exports to the Argentine in 1930 were valued at $12,417,486 and in 1931 at $4,575,497. It appears to me that this business should have been encouraged in some way, as was suggested to this house by the right hon. member when he made his report upon his return from that country. What is the result for this year? Our total imports for the ten months ended October 31 are valued at only $885,723 and our exports at $2,650,688. We cannot expect Canada to make progress if we put up such barriers that other countries cannot trade with us.

I have one or two other suggestions to make. The first is that this government should begin to realize that their high tariff policy is not only a failure but is proving disastrous to the trade of our country. There is another problem which confronts our farmers and the people of this country generally, that is the problem of the spread in prices between the raw products and the finished article. A year ago the Minister of Agriculture made the suggestion that there was a possibility that some board would be appointed to inquire into the spread in price between our raw and finished products. This afternoon the hon. member for Battle River (Mr. Spencer) gave some of these spreads, mentioning among others the spread in price in connection with leather and wool. Surely something could be done in this connection and I think the government would be well advised to appoint a board whose function it would be to inquire into these spreads in prices. Today our farmers are getting about one and a half to two cents per pound for their wool and they have to pay $2 per pound for the finished product. They are hardly able to sell hides, but when they do they get about twenty-five cents apiece, yet they have to pay $6, $10 and $12 for a pair of shoes. Surely there is something the government could do to investigate these spreads, and if there is, I think it should be done immediately.

I should like to make another suggestion in connection with our trade commissioners and embassies located in the different countries. If it is the definite policy of this government to shut out the foreigner from trading with this country, why do we maintain commissioners at Washington, in Japan and in other parts of the world? Why does not the government recall these men until such time as we have a government in power willing to trade with the other countries? The expense of these offices would be saved. Unless something is done very soon for agriculture I am afraid that this industry, as far as western Canada is concerned, cannot survive.

In conclusion, I want to say this in connection with the tariff. I believe that any industry that cannot survive with a ten per cent tariff had better be allowed to disappear. Industries should not be maintained with the high tariffs which prevail at the present time. If they were allowed to disappear we would probably get reductions in the prices of clothing, machinery and a great many other necessities.

Mr. G. G. COOTE (Macleod): Mr. Speaker, Canada has been going through the greatest crisis in her history. It has lasted three years and is now affecting three-quarters of her people. If Canada is to get out of this crisis, whatever action is taken must be initiated by this parliament. The problem has now become so difficult that the ordinary individual is unable to deal with it. So far as Canada is concerned, the principal cause of the depression is the low prices received for the products of our farms, forests, mines and fisheries.

The prices of farm products fall faster and further during a depression than the prices of any other products. These prices have now fallen so low that it takes twice as much produce to pay his taxes, interest and debts, and he can buy only about half as much as he could previously. The majority of our people are engaged in agriculture and the prices they receive for their products constitute the bulk of the money which goes into circulation for the promotion of trade, commerce and industry in Canada. The prices received by the producers in our primary in-

dustries largely determine the amount of purchasing power which the people of Canada may have in their hands. I do not think I could describe the financial position of the farmer better than to quote very briefly from a recent issue of the Farmers' Sun. The article states that the price collapse has cost the Canadian farmer one billion dollars and that the condition of agriculture is a national crisis.

The article continues:

> Unemployment, decline of business and national financial difficulties traceable to the drastic consequences of falling prices.
>
> Farming is being destroyed by the price collapse.
>
> Canada's basic industry, the industry which supports 46·29 per cent of the people, which produces 58·3 per cent of the exports abroad, is being steadily wiped out.

Mr. DEPUTY SPEAKER: The hon. member is out of order. It is clearly out of order to read from an article commenting upon any question before the house.

Mr. COOTE: If it were not so late in the session I would challenge your honour's ruling. I think what I have done is in accordance with the rules, as I understand them; however, I will be governed by your decision in this matter.

Mr. DEPUTY SPEAKER: The hon. member has the privilege of challenging my ruling.

Mr. COOTE: I suppose it would be useless, and in the present instance I bow to your ruling. However, I think I am permitted to give some facts and perhaps I could give them a little more accurately by occasional reference to the article in question.

The gross annual revenue of agriculture dropped $174,939,000 in the year 1928-29; it dropped $369,034,000 in 1929-30 and $381,806,000 in 1930-31. That is a total drop of $925,779,000 in three years. The indices of farm prices for the present year indicate a drop of $400,000,000, which would make a total drop of $1,250,000,000 in four years. To correct that situation, drastic action is necessary.

While farm products have dropped to one-half their former value, prices of other goods have not declined in proportion and I find that the farmer's dollar, in comparison with 1926 when it was worth 100, will buy only 75 per cent as much retail food, 65 per cent as much retail clothing and 55 per cent as much household furnishings. The cost of agricultural implements to the farmer shows that the price of implements has not dropped more than a fraction of the drop in the prices of farm products. We find that ploughs still have 100 per cent, drills, 98.4 per cent, wagons 97.1 per cent and binders 96.3 per cent of their 1926 values. In order to purchase any of these implements, it takes twice as many farm products at prevailing prices as it did in 1926. I was told this fall by one merchant in my home town that the price of binders which he handled had dropped $5. This was a $300 binder and he said that that was the equivalent of a drop of eight cents in the price of a $5 pair of shoes.

To sum up again, I would say that the unequal fall in farm prices has doubled the farmer's debts, taxes, interest, insurance premiums and all fixed charges. It has certainly cut the purchasing power of his products anywhere from 30 to 60 per cent, depending upon the class of goods he has to buy with his products. In fact, if he pays all these fixed charges, he will not have any purchasing power at all and he will have to live on what he produces on the farm. The women will have to go back to the spinning wheel, or the farmer's family will have to go without clothes. The result is that farm women today are canning their own vegetables; they are canning fruit, poultry, meat. They are doing their best to provide a living for their families off what they produce on the farm. In some cases they are taking old dresses out of the ragbag and mending them because they cannot buy new ones. The farmers are today buying very little. Most of them are down to the very minimum. The fact that they are not buying is not because they do not want to buy, but because they have not the wherewithal. They are skimping and retrenching in every possible way; they are working harder and getting less than they ever did before. Because the farmers are able to buy so little, there is unemployment in retail and wholesale stores, in our factories and on our railways. One reason that there are idle canning factories in Ontario is that the western farmer is no longer able to buy canned goods. If he has any canned goods, the women have to can them themselves. One-fifth of our people are out of work. The Minister of Labour (Mr. Gordon) told us that 800,000 people were on relief, and I am sure another 1,000,000 are out of work and being kept by their relatives or living on what little they have left.

Mr. GORDON: Where does the hon. gentleman get those figures?

Mr. COOTE: The figure of 800,000 was given by the minister. The other figures were given to me in one case by a professor of economics who made this estimate.

Mr. GORDON: That is hopeless.

Mr. COOTE: Well, those who are out of work and not on direct relief would, with their dependents, make that many.

Mr. GORDON: The 800,000 include dependents.

Mr. COOTE: But those are only people who are on direct relief from municipalities, provincial governments or the federal government. There are hundreds of thousands who are out of work, who are still living on their means or being kept by their relatives. No doubt there are several hundred thousand young men and women who have finished their schooling and who want to go to work, but for whom there is no work. This number would be included in the million people that I suggested a few minutes ago as being out of work. All those people are existing on a reduced standard of living. Under such conditions they must reduce it.

The situation is becoming so bad that action must be taken at once. If not, the bonds of some of our municipalities, many of them in fact, to the extent of many millions of dollars are bound to go into default. The farmer's power to pay taxes to meet interest on bonds is not there. The investments of loan, trust and insurance companies is bound to be affected; it cannot be avoided. Even the investments of our governments are affected and in fact the whole financial structure of the country is affected by the low price of farm products. The situation demands prompt action and I am glad to hear that we are to have a conference of provincial premiers to be called probably in January. I would suggest that when this premiers' conference is called, they should consider action on similar lines to that which was taken in Australia a year and a half ago at what was known as the premiers' conference, when it was agreed that all the states should introduce legislation to reduce interest rates on existing mortgages and agreements of sale by 22½ per cent of the existing rate. The banks also agreed to reduce interest on their loans by one per cent and interest on deposits by one per cent. It was agreed that a bonus on wheat amounting to 4½ pence per bushel should be paid on last year's crop. It was also agreed at this conference that the exporter should be helped by depreciation in Australian currency. The conference also agreed to a conversion of the entire internal bonded indebtedness of the commonwealth and of the Australian states at a reduction of 22½ per cent of the existing rates. This conversion was carried out shortly afterwards, 97 per cent of the bonds being voluntarily converted and the remaining three per cent being converted by legislation. That effected a saving of $16,000,000 annually to the commonwealth and the various states. The greatest benefit has come to Australia through a depreciation of her currency. I know some people would immediately say that such a course would ruin the credit of Canada; that her bonds would not be saleable after such an operation as that. I find in the Commerce of the Nation, in a recent issue this dispatch:



New South Wales, Australia, conversion loan of some $50,000,000 launched under aegis of Commonwealth government was taken up in London market within half an hour.

That was a foreign loan.

Will reduce former interest of 5½ per cent to nominal rate of 3½ per cent though over-all yield of four per cent will be realized by investors. Saving estimated at over $2,000,000 per annum.

Canada's government has made great efforts to maintain her credit on a high standing with foreign countries, but I doubt very much whether after all this effort Canada could secure a bond issue in any foreign country at a net rate of four per cent and that is what the state of New South Wales has recently been able to do.

May I also mention this in passing:

British government announces new conversion loan involving $400,000,000, causing sharp rise in government securities. British treasury two per cent bonds totalling $200,000,000 underwritten in record time in city of London.

Great Britain quite frankly abandoned the gold standard a year ago last September. The result is very low interest rates in that country, as evidenced by the fact that the British government is able to sell $200,000,000 of treasury notes at a rate of two per cent, while in Canada our government pays the banks four per cent on treasury notes.

Coming back to Australia and the depreciation of her currency which was agreed upon at that conference, I find in a recent issue of the Ottawa Journal a splendid editorial which is headed: "An Australian Recovery." I am sorry, Mr. Speaker, that you will not allow me to read this editorial. I would just say that it goes on to make some very favourable comment on the Australian situation. It says that there is a certain amount of criticism in Australian papers about the action that has been taken, but that the criticism has arisen mainly on the part of party politicians. Perhaps on some later occasion I may be able to read it.

I have another editorial here from the Leader-Post of Regina, dated November 8, and headed "Australia Reports Recovery." It goes on to make some very complimentary remarks on the Australian situation and winds

up by saying that business and trade in Australia are coming to life as a result of the policies put into operation, and says that this does not appear to be happening in Canada, and it asks: Have we been following the wrong path?

I read in a recent dispatch that Australia this year has set aside one and a quarter million pounds for the purpose of paying a bonus to wheat growers. They also propose to pay a bounty of one pound per acre—I give that figure subject to correction—for fertilizer. They also propose to make a reduction in the land tax in Australia.

At the present time the currency of Australia is depreciated sixty per cent as compared with that of Canada. Some bankers in Australia have advocated that that depreciation should be even more than sixty per cent so as to assist the Australian exporters to continue in business. I should like to say a word or two on the recent action of the Prime Minister by which he indulged in a small measure of inflation I refer to his action in regard to the sale of $35,000,000 of treasury notes to the Canadian banks at four per cent.

Mr. SPENCER: Three per cent.

Mr. COOTE: He was borrowing from the Canadian banks at four per cent. The Canadian banks then borrowed $35,000,000 from the Finance department at three per cent, using these treasury notes as security. This is unquestionably a measure of inflation, and I would ask the house to note that the basis of that inflation was money made by the printing press.

Mr. EDWARDS: Does the hon. member say that commodity prices have risen since that action was taken?

Mr. COOTE: No, commodity prices have not risen. I was just going to bring out that point. There will be very little increase in commodity prices from this small measure of inflation. This $35,000,000 in the vaults of the banks does furnish a basis for issuing bank credit to the amount of $300,000,000 if the banks care to issue that amount of credit, and can find customers who will borrow from them and give them satisfactory security. The banks do not loan to a producer unless the price of the commodity he produces is at such a level that the banker can naturally expect his customer to secure the cost of production plus a profit equal to the interest charge on the loan. When the price of farm products is so low that the banker believes that the farmer cannot get sufficient for his products to repay the bank loan with interest, he does not make the loan. If the banks are to be able to use that $35,000,000 as a basis for issuing credit in Canada under our present system, we must do something to increase commodity prices. When commodity prices are increased to the point where the banks think that the producer can make a profit sufficient to pay the interest on the loan, the banks will again begin to loan to the producer. So the great problem facing us today is to raise commodity prices. I should like to quote a statement made by Sir William Beveridge, who is director of the London School of Economics. The statement is taken from The World's Economic Crisis and the Way of Escape, published in London last year. Speaking of prices, Sir William Beveridge says that there are three different movements of prices. I shall not refer to the first two because my time is limited:

> There may be, third, a general movement of prices initiated from the side of money. What we have in this crisis is a change of this third kind, a fall of prices representing deflation of money. That is what we are concerned with in the first instance.

I would direct the attention of the house to that statement of Sir William Beveridge, that what we have in this case is a fall in prices representing deflation of money. He says on the following page:

> The fall of prices with which we are concerned is initiated from the side of money. It is a deflationary fall of unexampled violence.

Sir William Beveridge is an able and noted economist, and is generally regarded, I think, as orthodox. He is authority for the statement that the fall of prices with which we are concerned today is initiated from the side of money, and that it is a deflationary fall of unexampled violence. Every economist that I have read for the last year agrees that the world today is suffering from a depression that has been caused by a deflation of prices, and there you have Sir William Beveridge's statement that the cause of the fall of prices was the deflation of money. If we are going to raise prices we must raise them through monetary action. If the fall in prices was caused by deflation, the way to raise prices is by inflation.

An hon. MEMBER: Bringing prices back to normal?

Mr. COOTE: Yes. It is sometimes called reflation. Our prices are fifty per cent below normal, and the people who are depending on the price of their commodities to meet their debts and living costs are simply unable to meet them and are drifting fast into bankruptcy.

I was very sorry that the amendment moved by the hon. member for Wetaskiwin (Mr. Irvine) today was ruled out of order because I think it was a good amendment. It referred first to the question of debts, to which I have made a very brief reference. Then he went on to deal with the question of a wheat bonus. I should like to say a few words on that matter.

First of all, why should there be a wheat bonus? Because wheat is the most important item in our whole national economy. It is our greatest item of export. It furnishes employment for more of our people than any other commodity. Next to minerals it furnishes the greatest amount of traffic and traffic earnings for our railways. We had a bonus on wheat last year. There must have been very good reasons for that, and the reasons that existed then are still in force today. As a matter of fact, there is more reason for the wheat bonus today than there was a year ago. One of our chief competitors is Australia. Last year the Australian farmer got a bonus of nine cents a bushel as compared with five cents a bushel in Canada. Australia has already set aside one and a quarter million pounds to bonus her farmers this year but this government is doing nothing to provide a bonus. I want to assure the house that our farmers are badly in need of the bonus. I have a telegram here which I received from some people in my constituency a short time ago. It says:

> Large meeting of your constituents held at Blackie on Monday night strongly urge that price of grain and general conditions of the farmer necessitate this year a bonus on grain production by the Dominion government.

I should like to give hon. members some idea of the position in which many of our wheat growers find themselves. Any farmer who is able to produce No. 1 wheat can get today about 26 cents a bushel, a price which is much less than the cost of production. However all our wheat does not grade No. 1. I have before me a clipping from a Calgary newspaper which was sent to me recently. It is sent from Cardston, Alberta, and is dated October 25:

> A. W. Zeigler of Cardston, Friday took settlement for his good crop of fall wheat, which averaged 33 bushels to the acre over the whole field.
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> Wheat in Cardston was selling at 28½ cents a bushel locally. The elevator people deducted 6 cents a bushel because it was fall wheat. Then they said it was smutty so took off another 6 cents a bushel. They then decided it was tough, and so extracted another 6 cents from the selling price.
>
> It had already cost Mr. Zeigler 7 cents a bushel for twine and threshing, and it took 3 cents a bushel for hauling to the elevator. This amounted to 28 cents a bushel, leaving Mr. Zeigler exactly ½ cent a bushel to cover his year's work, his seed, ploughing, drilling, cultivating, and a long summer's anxiety about hail, drought and grasshoppers, with deductions for the herd of collectors who saw the field of wheat grow into maturity.

I would not like hon. members to think that all farmers in Alberta are receiving only one-half cent per bushel for their wheat. But even those who received 27 cents at the elevator, after paying for threshing and hauling, twine, stooking, groceries for feeding the stookers, and binder repairs, would have practically nothing left.

I have dealt with the question of wheat; may I for a few moments turn to another of the farmer's problems. I have before me a report of the Dominion live stock branch containing prices at Calgary for live stock which mixed farmers are now selling. In every case I have deducted 50 cents from the price quoted, because it costs 50 cents for freight and other charges to Calgary. These are the prices per hundredweight:

| | |
|---|---|
| Choice steers | $2 25 to $2 50 |
| Common steers | 1 00 to 1 50 |
| Cows | 0 65 to 1 50 |
| Select hogs | 3 00 |
| Bacon hogs | 2 50 |
| Butcher hogs | 2 00 |
| Lambs | 3 00 to 3 50 |

I do not need to argue with any man acquainted with farming as to the necessity of raising farm prices. Next we come to the question of how to raise them. As the prices of grain, cattle, hogs and I think poultry, are all on an export basis, the way to raise them is to allow our currency to depreciate in outside countries as was done by Australia. This creates a premium on foreign exchange, and as the exportable surplus of these products is sold for foreign exchange the prices will be raised in terms of Canadian currency. If the price of our exports is raised this will raise the price of that part consumed at home, because, unfortunately, the surplus exported fixes the price of practically all farm produce. Today the British pound is worth only about $3.78 in Canada, when it should be worth at least $4.87. We are losing $20 on every steer exported; $2.80 on a bacon hog; 7 cents a pound on turkeys; 7½ cents a dozen on eggs and 19 cents a bushel on wheat. These figures are taken from the evidence given by exporters to a correspondent of the Country Guide. I do not think Canadian farmers will be getting a square deal even when the pound is worth $4.87 in Canada. The British pound is worth about $6.10 in Australia. I learn that

definite action to raise the exchange rate is to be taken by New Zealand, so that the British pound may be worth as much in New Zealand as it is in Australia.

I put this question to hon. members in the house, and particularly hon. members opposite: How are our farmers going to ship butter to England to compete with New Zealand? Absolutely impossible. The countries with which we compete have a great exchange advantage over us. Australia, New Zealand, the Argentine, Denmark, Sweden and Norway enjoy this advantage. Compared with us they have depreciated their currency from 25 to 50 per cent. They can undersell us right in our own market. The depreciation, or, in other words, the premium they get on exchange would pay duty two or three times over. There are many hon. members in the house, and some people throughout the country who still hold to the theory that the rise in retail prices which would result if our currency were depreciated would completely offset the advantage we would receive by an increase in price brought about by a premium on exchange, or in other words by a depreciation in our currency.

We now have in the case of Australia an illustration of the effects of depreciated currency on internal price levels. Australia has been off the gold standard and has had a depreciated currency for approximately two years. During that time the depreciation of her currency compared with Canada has ranged from ten to fifty per cent. Figures recently obtained from the bureau of statistics at Ottawa, giving index numbers of different price levels, living costs and purchasing power of agricultural products in both these countries, show the following results, using the figure 100 to represent the pre-war price levels in every instance. The statement from the bureau shows averages of general wholesale prices as follows—I shall give the figures first for Australia and then for Canada for each of the years mentioned.

| | Australia | Canada |
|---|---|---|
| Average 1930.. .. .. | 146·7 | 135·3 |
| Average 1931.. .. .. | 131·3 | 112·6 |
| March, 1932.. .. .. | 132·2 | 107·9 |
| July, 1932.. .. .. .. | 128·4 | 104·0 |

Then we have the index figures for agricultural products:

| | Australia | Canada |
|---|---|---|
| Average 1930.. .. .. | 135·3 | 131·5 |

There was not much difference that year.

| | Australia | Canada |
|---|---|---|
| Average 1931.. .. .. | 102·2 | 90·0 |
| March, 1932.. .. .. | 113·5 | 82·2 |
| July, 1932.. .. .. .. | 114·1 | 76·7 |

Hon. members will readily note the tremendous advantage Australian farmers have over us—38 points in agricultural products. Then we come to the figures in regard to the cost of living:

| | | Australia | Canada |
|---|---|---|---|
| Average | 1930.. .. .. | 141·3 | 152·0 |
| " | 1931.. .. .. | 126·7 | 137·1 |
| March, | 1932.. .. .. | 122·8 | 128·4 |

The cost of living in Canada in March last was six points above the cost of living in Australia, although the price of farm products in Australia was very much higher. Then, the bureau of statistics have prepared the figures to show the purchasing power of farm products in terms of living costs. Using March 1930 as 100, we find the figures as follows:

| | | Australia | Canada |
|---|---|---|---|
| Average | 1930.. .. .. | 99·6 | 92·2 |
| " | 1931.. .. .. | 83·8 | 69·9 |
| March, | 1932.. .. .. | 96·1 | 68·6 |

The bureau of statistics does not give the index figures to show the purchasing power of farm products in Canada for recent months, but their index figures for September show a drop of five points in the price of farm products since March 1932, while cost of living has dropped only two points. This, of course, shows a further decline in the purchasing power of farm products.

The figures shown in this statement are very significant. They show that the prices of farm products have been much higher in Australia than in Canada; that whereas in Australia in the last two years farm products have dropped 21 points they have dropped 55 points in Canada and that in spite of the big drop in the price of farm products in Canada the cost of living, or retail prices in Canada, stood six points above the cost of living in Australia. The purchasing power of farm products in Australia was 28 points higher than in Canada. In other words the purchasing power of agricultural products in Australia in March last was 42 per cent more than the purchasing power of agricultural products in Canada. Does not that show a distinct advantage to the Australian farmer, not only in purchasing power but in debt paying power; of 50 to 100 per cent more than in Canada, yes, I would say in some cases 150 per cent more? This table also shows that whereas in the price of farm products in Canada there was a drop of 14 points from the average of 1931 to July 1932, during the same period there was a rise of 12 points in the price of farm products in Australia. These figures, which I have obtained from the bureau of statistics within the last week,

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certainly disprove the contention that the apparent advantage which would come to Canadian farmers in cheaper currency would be offset by a rise in the prices of the things he would have to purchase.

Action such as I have suggested, that is depreciation of our currency to the level, I would suggest, of Australia, or whatever depreciation we may have, will put more money in circulation, which in turn will increase the purchasing power of the people, which will increase employment, increase trade, and as a result will increase the revenue of this government, increase railway earnings and decrease unemployment relief budgets for all our governments. I think it would enable our governments to balance their budgets. I notice in the New York Times recently that even Argentina has a balanced budget. There is a dispatch in the New York Times of October 15 from Buenos Aires saying that finance minister Hueyo announced that he would have a balanced budget ready for submission to congress this week. While we are struggling along here with high prices, "sound money", a country like Argentina with a smaller population and less natural wealth is able to balance its budget while we are faced with a deficit of probably $100,000,000 to $120,000,000. The measures which I suggest would, if adopted now before our situation becomes too desperate, save thousands of our farmers and others in Canada from bankruptcy. It would save many of our municipalities from default and would make many mortgages and bank loans and municipal debentures, which are now of very uncertain value, worth their face value.

This is a matter of interest to the whole nation. Any plans which this government may make for the employment of our people must necessitate some change in our monetary policy. I suggest to the government that when the interprovincial conference takes place, very concrete plans should be outlined for the employment of our people. I suggest that they gather the best practical men who can be found in Canada, together with some of our economists, and charge them with the duty of bringing before the government plans for the employment of our people. Unemployed people create no wealth. We have in Canada an abundance of material and natural resources, and we have people ready to work; it is simply a question of using our own credit, our own money, currency which is now printed and lying in the federal vaults, to put these people to work and produce real wealth. Let them at least produce something to provide for their own needs.

[Mr. Coote.]

I just mention in passing the proposal which I made a year ago, that we should undertake a housing scheme, tearing down the slums in some of our big cities and building modern apartment houses. There is nothing impossible about dealing with this question of unemployment; it is just that we lack nerve to tackle it. The hon. member for East Algoma (Mr. Nicholson), I am sure, knows many lumbermen who have lumber to sell and who would be glad to sell it very cheaply; and there are many people in Canada who need houses, there are many carpenters who would be glad to do the work. Let us bring the men and the material together and build these houses.

May I make one other suggestion, with special relation to my own constituency. There is a great deal of unemployment in the coal districts. I do not think that employment can be given these people at this time of year, but I suggest that the government be a little more liberal in dealing with municipalities and provinces, at least in western Canada, and as far as I am concerned in eastern Canada also, so that they may take care of these people. This correspondent of mine says that there are quite a few working on provincial relief, road work, at 30 cents an hour. The married men get ten days per month at $2.40 a day; single men get five days.

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

Mr. COOTE: I should like, if I may be allowed, to complete this statement. Some men with big families get an extra day in. Then he says the union and the town council are appointing a committee to canvass the town for money for the needy. The union men working at the mine pay five per cent from their wages, but working only two days in two weeks it does not amount to much. I would urge upon the government that they deal more liberally with some of these municipalities in the west that are finding it very difficult to handle the problem on the present basis of relief.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I should not have found it necessary to speak this evening if the Prime Minister (Mr. Bennett) had acceded to the request of the leader of the opposition (Mr. Mackenzie King) and announced a definite policy regarding the subject now under discussion. In the Unemployment and Farm Relief bill introduced last session by the Prime Minister there is nothing definite as to what the policy of the government then was

in the matter of farm relief. As he was presenting the bill I asked him if it was the intention of the government to continue the five cents per bushel bonus on wheat, or if they had changed their mind and were now going to adopt an acreage basis. His reply was to the effect that they had not yet decided what the policy should be, but were taking power under the bill to do all things necessary regarding farm relief if an emergency should arise. It has been suggested to the government time and time again during this session that some pronouncement be made by them as to their relief policy. So far all we have been able to get from the Prime Minister is that he was spending money for the stabilization of the wheat market rather than paying the five cents per bushel bonus. He pointed out that it cost some $11,000,000 last year to pay the five cent bonus, and he thought that by taking that amount and stabilizing the market by the purchase of futures he would help the wheat grower more than he would by paying the bonus. There is one thing that puzzles those of us who are deeply interested in the wheat industry, and there are several on this side of the house, and some on the other side who are themselves in the industry. It is rather strange that at the very time that this government was supposed to be stabilizing the market, we find on more than one occasion that the Chicago market was higher than the Winnipeg market; and the Prime Minister said that had it not been for the intervention of the government in stabilizing the market, wheat would have gone below 40 cents per bushel. We have asked him on several occasions to tell the house and the country just how far the government has gone in this stabilizing, but we have been unable to get anything from him.

A good deal has been said to-night about the condition of western agriculture, but there is one particular condition that prevails to-day, especially in Saskatchewan, which has never been known to prevail before. In the old Northwest Territories we had an act that permitted the seizure of farm produce for taxes. That act has never been invoked during the twenty-seven years I have been privileged to live in that province, and I have been living on a farm throughout that entire period. The custom had always been, until this year, that when a farmer was one year delinquent in his taxes they sold a tax receipt. That is to say, they sold the land for the value of arrears of taxes and then the farmer had two years in which to redeem his land; but because of the inability of individuals or corporations to buy tax receipts, the municipalities themselves found that they were the only purchasers of such receipts, and it came to the point where many municipalities were unable to carry on in this manner. They have this year had recourse to the old Northwest Territories Act and have created out of every secretary treasurer of a rural municipality a bailiff, and that official has been collecting taxes by seizing farm produce. For the first time in the twenty-seven years I have lived in Saskatchewan we have witnessed such a procedure. That proves conclusively to those of us who are interested in the land that the land to-day has no value, simply because the produce of the land is itself without value.

I should like very briefly to outline the position of the individual who happens to live in that portion of western Canada and who had a crop this year, and to see where his money goes after he has got his crop. The first persons who have a claim on that crop are the Saskatchewan relief commission, provided that the farmer has received some relief from the commission. That comes before anything else, mortgage, interest or anything else. Following that come taxes, and the produce of the farm can be seized for taxes. After that come merchants, grocers, food mortgage. Now you have those three, and they come before even wages. What position does the farmer find himself in? The average bushelage for that portion of northern Saskatchewan that grew a crop this year was 16 bushels. I should say that the average price received by the grower was less than 30 cents—between 25 and 30 cents. To-day they are not receiving 25 cents in many parts of the west. Where there is a 26 cents freight rate per hundred pounds they are getting somewhere around 21½ or 22 cents, and where there is a 24 cent rate, which is the rate in the division I live in, we are getting about 24 cents to-day.

Now, naturally the farmer who has not the equipment to thresh or to combine his crop must depend on someone else. When that someone else is approached and asked either to thresh the crop or to take it off with a combine, he naturally looks the crop over and estimates the bushelage. He may find that, after the relief commission have had their pound of flesh and the municipality has taken its taxes, and the merchant what is coming to him, there is not enough left to pay labour, and the result is that many farmers will conclude it is not worth while even taking off the crop. That is what has happened. Then the relief commission stepped in through the provincial government and announced that the

first hundred dollars' worth of crop that was taken off would be exempt from all seizure. There are a great many of these farmers to-day who are farming on land which they rent from the mortgage company and they deliver to the mortgage company one third of the crop, so that it is utterly impossible for these people to carry on in that part of Canada. That is why we have been impressing on this government the necessity for some definite policy, some statement as to how the government proposes to relieve agriculture, because the mental strain which is evident to-day throughout that western country is simply appalling. I think it is the duty of every member of this house to urge upon the government the absolute necessity for action, if for no other reason than to relieve the mental strain which these pioneers in western Canada are undergoing.

Let me draw a picture for you, Mr. Speaker. I said I lived in western Saskatchewan for twenty-seven years. I went there as a youth and at that time it was a wilderness, the nearest railway station being some 110 miles distant, and I have seen that country grow out of a wilderness. I have seen them build highways, railways, telegraphs, telephones, schools, towns, villages and hamlets. I have seen millions, yes billions of wealth roll out of that country in live stock and in all sorts of cereals, and in some manufactured goods; and the tragedy of the whole thing is that after twenty-seven years of effort not only on the part of the farmer himself but on the part of his wife and his family as well, he finds himself today with very little if any equity in the land which he wrested from the wilderness.

For these reasons I think this government tonight should give some ray of hope by a pronouncement of definite policy as to how they propose to relieve these people. I do not intend to read extracts from papers or letters. There is no member in this house who could not produce all manner of clippings from papers to support the argument I am putting forward. Hon. gentlemen could give all sorts of statistics from various sources. I could read letter after letter setting forth the very conditions I have depicted in the last few minutes. What I am concerned about is whether the government will take action and make some announcement which will give some ray of hope to these people.

I have been amazed that hon. gentlemen sitting behind the government, members from these western provinces, should apparently be so little interested in this matter. I listened to the Minister of the Interior (Mr. Murphy), delivering or reading an address some two or three weeks ago, but he had nothing concrete to put before the house. There was nothing in what he said that offered any solution of the problem. We have been waiting patiently to hear from the Minister of Agriculture (Mr. Weir). He knows the conditions in western Canada; he knows what the western agriculturist has to face. And the Prime Minister knows it just as well as any of us, for he has lived in that country for thirty-five years; I have heard him say so himself. There are many out there tonight who do not know where the next hundred pounds of coal is coming from. The other day I received a letter from my wife telling me of a neighbour who had taken fifty bushels of barley to the village of Superb with which to buy some coal. That barley netted him exactly one dollar, and I ask the house to consider how much coal could be bought for a dollar. In many parts of that country it is now twenty below zero; there are two feet of snow on the ground, and many of these people do not know how they are going to live through this winter. In spite of the Prime Minister's statement that we have threshed this matter over on previous occasions, nothing has been done. The reason why we do what we are doing tonight is to impress upon this government if at all possible the absolute necessity of definite action being taken immediately. And it should not be done surreptitiously, but should be announced so that these people may at least see a little ray of hope.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, one almost feels like apologizing for saying again what has been said so many times in this house, but when one thinks of the condition of agriculture and the suffering of the people he welcomes an opportunity to say again and again those things which he knows to be so true. We know that the two great problems facing Canada today are the problems of unemployment and agricultural relief, and I believe there is a connection between these problems. If we can solve the problem of agriculture, if we could get agriculture into a healthy and thriving condition, it would in part solve the problem of unemployment.

May I be permitted once more to state the agricultural problem? It is this: there are three levels affecting the farmer. The first and lowest level is the level of his commodity prices. Above that is the level of the prices of the things which he must have, the things he needs in his daily life. There is a great disparity between these two. The farmer

getting what he is getting at the moment for his commodities cannot buy any substantial amount of the things which are on the market and clamouring to be consumed. Above these two levels is the still higher level of debts. The farmer is required to meet his obligations and to consume goods, and if he cannot do these things, disaster faces the whole nation. As things are at the moment he simply cannot, and I think, we will have to keep repeating this fact over and over again. The farmer today cannot pay the interest upon his debts, and he cannot pay for the services and goods which he requires. It is impossible. It is certainly quite obvious that something must be done about it. Either the debt level must be scaled down closer to the commodity price level, or the commodity price level must be brought up nearer to the debt level; and also the disparity which exists today between the prices the farmer gets for the commodities he sells and the prices he has to pay for the goods which he needs must be lessened.

You can hardly take up any publication which comes into an agricultural community without finding these ideas emphasized. Just the other day the United Farmers of Ontario issued a manifesto dealing with agricultural conditions. This manifesto was sent to the clubs, the united farmers' organizations in Ontario, the municipal council and all agricultural bodies. The first paragraph reads as follows:

Ontario agriculture faces a crisis. The result of several generations of intelligent, self-sacrificing and unremitting toil is disappearing with ominous rapidity. Progressively exploited for some time past through the artificial stimulation of modern industrialism, it now faces the danger of rapid decay and general bankruptcy. Ordinarily the farmer faces a business depression, as he does other difficulties, with courage and confidence. But the situation is different today. The extent, duration and severity of the present economic breakdown have brought about a condition of hopelessness which is both a threat and a challenge to every citizen. The farmer's savings are being exhausted, and his capital is being depleted, at such a rate that the end is in sight. Municipal institutions cannot be maintained much longer on the present basis. Rural civilization is crumbling.

I should like to quote from the next paragraph as follows:

The collapse of prices destroyed the farmer's purchasing power. The inevitable result was a steady decline in merchants' sales, a falling off of wholesalers' orders, a curtailment of manufacturing output and a marked reduction in railway tonnage.

The manifesto then goes on to say that all along the line unemployment has been created. Very much the same thing is said in the Country Guide. If Mr. Speaker will permit me I should like to read portions of an editorial which appeared in the November issue. The editorial starts off by saying that wheat prices have not been so low in fifty years, and goes on to say that other prices are also much lower. It states that with tax arrears, interest arrears and debts steadily mounting, the agricultural industry is in an extremely bad way. It then continues:

Not only is Canada's major industry facing ruin, but the lack of farm purchasing power is the direct cause of business stagnation throughout the country with a rising tide of unemployment and huge deficits being faced by municipalities, provincial governments and even by the federal government. This process of liquidation is continuing at an alarming rate with no relief in sight. It is no exaggeration to say that we are heading towards a national disaster in the midst of a world-wide disaster.

Before I came in to the chamber the hon. member for Macleod (Mr. Coote) had given the declines which had occured in the annual revenue of agriculture from 1928-29 to 1930-31, but these figures will bear repeating. The loss during these three years amounted to $925,-779,000. That being true one does not need to read any manifestos issued by any agricultural body or editorials written by agricultural editors to realize that such a loss in the purchasing power of the agricultural people will cripple the whole commercial community of Canada.

If we are desirous of raising the commodity price level to a point closer to the level of the prices the farmer must pay for the things he needs and to the debt level, we must find some way of doing it. I think many of us have come to the conclusion that one of the great reasons for this disparity is Canada's remaining on the gold standard while her chief customer and her chief competitor in agricultural products have long since dropped the gold standard and inflated their currency. I sometimes wonder just how long we are going to go on bleeding the agricultural and other primary industries of Canada. I quote again from the editorial in the Country Guide, which covers almost a whole page, as follows:

If the Canadian government were to abandon the gold standard temporarily and bring our currency to the basis of the British currency, the agricultural industry of Canada would receive a stimulus beyond what could be brought about by any other method now in sight. Practically all of our important competitors in agricultural products throughout the world, except the United States have gone off the gold standard.

Then again:

Our agricultural industry would benefit decidedly and immediately if our currency were placed upon a parity with the British pound. It would help at once to reestablish the price

level between agricultural products and other commodities in Canada and would bring immediate relief to the agricultural industry which would be felt throughout the whole commercial life of Canada.

When we in this corner of the house first started to advocate inflation, the rest of the members were certainly not impressed and thought it was very wild talk. One who has been here now for some years cannot help realizing that the house is gradually and possibly quite rapidly coming to see that inflation of our currency, the putting of more money into circulation, bringing the amount of money in circulation into relation to the goods in circulation and not out of relation as it is at the moment, is a sensible thing to do. May I presume to say that it is the thing that will be done and I would not be surprised to see this government do it. Two years ago I would have said that was impossible; a year ago I would have said it was impossible, but I do not say that now. It is possible that this government will do the very thing that we have for some time been advocating.

Mr. COOTE: The hon. member has a great deal of faith.

Miss MACPHAIL: Of course, when they do it, it will be the "sound" thing to do, but I am not going to worry about that so long as they get it done. I have seen them on several occasions make a right about face, being right each time. When we face a budget deficit this year of $100,000,000 or $120,000,000 or $125,000,000; when we have, with additional taxation, diminishing revenue for another year and municipalities default and possibly even provincial governments start defaulting, even this government will be very glad to do anything that will increase revenue and get us out of the difficulties in which we are at present.

The effects of inflation are canvassed very carefully in a pamphlet which came out recently. It is compiled by Pitfield, Mathewson and Company, brokers of Montreal, and gives both sides of the question. In their introduction they quote from the concluding paragraph of the League of Nations report on "Courses and Phases of the World Economic Depression" as follows:

> But once any country has abandoned the monetary standard which links it to the majority of the community of nations it can for a time at any rate—and subject to ultimate and strict limitations—enter upon a credit policy which may do much to mitigate the immediate severity of the depression in so far as it is itself concerned and in so doing act independently of its neighbours.

[Miss Macphail.]

So the house will see that we do not have to wait for the world economic conference. That is a relief, is it not? In concluding how in their opinion inflation would affect agriculture, they say this:

> Agriculture
>
> The broadest advantage of a depreciated currency in Canada would accrue to industry through the enhanced buying power of the Canadian farmer. A 450,000,000 bushel wheat crop at forty-five cents a bushel, today is worth $202,500,000; if our funds were at par with the United States, it would be worth only $183,295,000, while if our dollar were quoted at a par with sterling, the crop would be valued at $274,942,500, a maximum spread of over $90,000,000, to the benefit of the Canadian farmer which would provide additional purchasing power. Similar striking comparisons can be drawn for a host of other agricultural products, and it is not hard to visualize the stimulating effect such added income would have on general business throughout the country.

When one finds a firm of brokers in Montreal sending out literature reading like that, one would infer that they have been converted to the idea of inflation, although they carefully say that they are not—that they are just canvassing the idea on both sides.

There is no doubt that the depreciation of the Canadian dollar would raise the internal price level; there is no doubt also that it would relieve the government of at least a great part of the burden of unemployment. As a Saskatchewan correspondent of mine said:

> If as producers we could get prices for our stuff, very few of us would need relief.

That is true, speaking for the producers; and it is also true that if the producers could spend these many more millions of dollars in buying the things they need, industrial workers would also be drawn into employment. In the Montreal Witness and Canadian Homestead, which I received I think yesterday, I read a sentence that arrested my attention. In an article referring to inflation this paper says:

> Inflation taxes the capitalist and spreads wealth. That is why the capitalistic press are so horrified at the very idea.

I think that is true. I do not think so merely because I read it in the Canadian Homestead; I thought so before and this confirms my opinion.

May I now give the house the twelve reasons which this firm of brokers gave in favour of inflation? They are twelve very interesting reasons. They say:

1. It would automatically increase the internal price level of all exportable commodities.

2. This would place Canadian manufacturers in a better position to compete in world markets, and would help towards the retention of those markets which they may otherwise readily lose.

In our case they might just as well have said: Those we have lost. Our dear money has lost us nearly every cheap money market in the world.

3. A rise in export commodity prices should find reflection in some increase in internal business, and thus assist in the paying down of debts.

4. Any increase in the volume of business would relieve unemployment, which in turn would relieve the Dominion, provincial and municipal governments from unemployment relief payments.

5. Any recovery in the dollar volume of business would bring about additional tax collections, thus assisting in the balancing of government budgets.

6. It would strengthen the position of our banks—

We may get it on that account.

—by increasing deposits and of our insurance and loan companies by the paying down of overdue mortgage interest.

7. Such inflation would act as a stimulus to the security markets, and if Canadian internal high grade bonds were to sell on a four per cent basis, this would substantially increase values of securities and strengthen the reserves of our financial institutions.

8. Certain industries, such as the newsprint industry, which sells a large part of its output in the United States, a gold standard country, would stand to benefit materially.

9. It would increase the premium receivable on gold production and thus stimulate this industry which, in turn, through the purchase of additional equipment, etc., would help the iron and steel and many other industries.

10. Any improvement in the volume of business would be reflected in the traffic of our railroads, which are themselves another serious factor in the Canadian situation.

11. The salutary effect in the Canadian west of an upward move in commodities would be of prime importance. It is impossible to procure full statistics on the western situation, but we understand that in Saskatchewan, for instance, over 46 per cent of all mortgages are at least one year in default of interest. It is estimated that an increase of 15 per cent in the price level of wheat alone would net the western farmer from thirty to forty million dollars additional this year, and this extra return would permit the paying down of mortgage and trade debts, as well as improving tax returns.

12. It would provide added tariff protection to Canadian industry and prevent the dumping of goods by countries with depreciated currencies.

That is a very imposing list. It may impress even the hon. member for Weyburn.

Mr. YOUNG: Not a bit.

Miss MACPHAIL: While it is true that all countries in the last few years have lost trade, countries on the gold standard have lost most heavily. If you compare the loss in total trade for the first half of 1929 with the first half of 1932, you will find that the United States lost 68·2 per cent of her trade, Great Britain only 47·9 per cent and Canada 61·4 per cent. These figures were given by Henry Somerville writing from London. I read them in the Toronto Daily Star a week or more ago, possibly two weeks ago. In the same article he gave a comparison of exports between the first half of 1931 and the corresponding period of 1932, and showed that the exports of the United Kingdom had decreased by £12,000,000, the United States by £97,000,000, Canada by £15,000,000, and that Australia's exports had increased by £3,800,000. I think those figures are convincing. At least they are to me, and would be even if I were not already convinced on this subject. Mr. Somerville says:

With trade figures like these before them the British authorities have no inducement to strain themselves to keep sterling anywhere near the old relationship to gold.

He says it is a puzzle to him why countries which keep up a high value for their currency make such sacrifices to do so, but he thinks perhaps they are waiting for the world economic conference when they will come down from their uncomfortable but exalted perch. I think that shows that Mr. Somerville has a sense of humour. I do not want to talk another moment on inflation except to say that I think it is a thing that ought to be done. We should depreciate our currency to the level and below the level of the pound sterling, bringing it close to that of the currency of Australia and the Argentine, and at the same time increase the amount of money in circulation in Canada. We should not do it by running around to the banks with $35,000,000 and giving the banks $700,000 for the privilege of issuing their premises. I see no reason why our own Dominion government through the treasury board cannot issue the money direct and without interest.

Mr. SPEAKMAN: It was a most extraordinary transaction.

Miss MACPHAIL: It was, and will be a very profitable one for the banks.

May I say to the Minister of Immigration (Mr. Gordon) that I appreciate his sincerity and sympathize with his earnestness in seeking to place on the land people who are destitute. I wish for his sake as well as for theirs that the scheme would prove success-

ful, but I think it cannot succeed. It is not possible to put people on the land who have been off the land for some time, and for the most part putting them on poor land, with equipment not comparable to that of their neighbours, and expect them to succeed where those much better equipped in knowledge and otherwise have failed. I do not think it is possible. I was up at North Bay two or three weeks ago and the people in the township that runs right up to the city of North Bay told me the very same story that was told to this house to-night by the hon. member for North Battleford (Mr. McIntosh), of families brought there from southern Ontario in the spring, without any consultation with the municipality, people who were not in any way able to take care of themselves through the winter, and who only meant an added burden upon that municipality. I really think that that movement cannot succeed.

May I add this? I was astonished to hear the Minister of Immigration deplore "the hiving," as he called it, of people in the industrial centres. I had always thought that that was the very object of the smokestack policy that we have had in Canada for almost seventy years. We have done everything possible to drive people off the land and into the cities, so do not let us complain now if the thing has been successful. It is astonishing to hear anybody who during all these years has been advocating the pampering—I cannot think of a better word—of secondary industries express pity that people are now hiving in the industrial centres. We have done very well to keep anybody on the land in view of all the effort made to lure them away.

There is one other thing that I want to suggest as a method of relieving the present situation, and that is the lifting of federal taxation off the backs of the masses and putting it quite firmly on the backs of the classes. I think that federal taxation should be applied pretty largely to incomes and inheritances. We all know that the difficulty of our age is the lack of distribution of goods. There are two groups in Canada and every other country which make the distribution of goods impossible. The one is the great mass of people, at the moment the unemployed and the underprivileged, whether on the land or in the cities, who wish to consume goods but have not the money to pay for the goods they could quite easily consume. The other class consist of those people who, by the pampering of industry and finance which we have had for so long a time, have amassed more money than they can conveniently use. So we have these two classes, one with a capacity to buy but unable to consume sufficient to take the goods off the market, and the other with the capacity to consume but not the purchasing power. If we lifted the burden of federal taxation off the masses and put it on the people who have now too much money for our economic good, we would I think be helping very much to solve our present problems.



Then too, I think as time goes on, particularly if science and invention continue to make the strides in the next twenty-five years which they have made in the past, we must face the fact that hours of labour must be and will be lessened, while the purchasing power of the workers is sustained. One of the things that I deplore at the moment is that wages are being beaten down all over. Even people who do not need to lower wages are lowering them. The need of the people is being used as a club over their heads. In the long run that policy will hurt not only the people who are deprived of their purchasing power, but those who have the goods which they wish to sell. I think anybody who is thinking about the problem sees quite clearly that if we are ever going to absorb our unemployed again we must lessen the hours of labour. I think that is sound. Possibly we have not got to the place where we like to think it, but at any rate I think we are going to get to that place. If we are going to continue to give special privileges to financial and industrial groups in this country—I am speaking now particularly of industrial groups—if we are going to continue to tax all the people for the sake of certain industrial enterprises which claim to be necessary to the national life of this country, we must see to it that the benefits which they receive are passed on down both to the general consumer who buys the goods and to the worker in the factory who produces the goods. We must see that wages are sustained and working hours lessened. I see no justification for continuing to give privilege to secondary industries in this country when the mass of the people are in the distress they are in today. I think it will not be long before this house will come to the conclusion that if industries are going to be pampered and petted the benefits they receive must be passed on down by them. Markets may be saved for them, but they must pay for the saving of those markets in reduced prices and sustained wages.

Mr. SPEAKMAN: The benefit of the machinery must be divided.

Miss MACPHAIL: As the hon. member for Red Deer (Mr. Speakman) has said, the benefit of machinery must be divided. That is

the great tragedy of machinery. The machine which should be liberating people from toil is enslaving them, and, more than any other thing—that and money—is enslaving those tremendous numbers, those millions all over the world today, who despairing do not know where their meals are to come from nor where they are going to live.

There is one orthodox way of approaching this matter and that is the cooperative method. I should like to take just a minute or two to tell the house how very successful the British consumers' cooperative has been, even in these days of depression. Through the depression they have increased the number of people they employ, and sustained their wage scale. In 1931, in Great Britain alone, they employed 5,546 more people than they did in 1930. In 1931 they employed a total of 263,037 people. Not only that, but they had the best wage rates of any group of industries in Great Britain. One may ask: Why is it that the consumers cooperative can employ more people at better wages than any other industry? I think the answer is simple and clear, that the cooperative movement divides its surplus, its profits, among its members by participation dividends in accordance with the amount of business done. So they themselves sustain their own purchasing power. The money goes round and round, and instead of letting the purchasing power go back in great profits on one side with great poverty on the other, they sustain it. The amount of this increased purchasing power of the masses in Great Britain, because of the consumers' cooperative, was in one year £30,000,000. That amount is in participation dividends alone. It is becoming big business. The consumers' cooperatives in Great Britain have a capital of $1,628,147,385. Sometimes I think if only we had a little more time that this would be the happiest way of arriving at the new state of society towards which we are all striving. Therefore I think that the federal government of Canada should give every possible assistance to cooperative movements. I do not mean that the government should go out and organize or pamper them too much, because that is bad for them. But I have been very close to some cooperatives, from the points of view of both the consumer and the producer in Ontario and in Canada generally, and I know many times they failed through lack of expert advice at the proper moment. I do think that the Dominion government should, through the Department of Agriculture, begin at once to train experts in cost accounting, experts in processing, experts in sales management, and that those experts should be made available to the producers' cooperatives throughout the dominion. The economic branch of the Department of Agriculture could perhaps be used for this purpose.

There is one other point: I am very much concerned about a small producers' cooperative. Whether we are going to be able to save it or not is still doubtful. We have had to pay six and a half per cent interest for the money. When I heard that the Canadian Pacific Railway Company got their money for nothing, I thought the idea was an excellent one but did not see why it should be confined to the Canadian Pacific Railway Company. When people want to help themselves, as did this group of 1,500 producers I am speaking about, they should be assisted by loans at low rates of interest and by expert help for a period of time.

An hon. MEMBER: Will the hon. member do the same for the manufacturers?

Miss MACPHAIL: We have always done the same for the manufacturers, if my information is correct. Not only have we loaned money which will never be repaid, but we have pampered them all the days of my life, at any rate.

Now, for the remainder of the time at my disposal—and it is not very long—I wish to discuss the problem of unemployment. I feel that what I have so far advocated in my remarks up to this point would help to absorb the unemployed. But at the moment we are faced with a terrific problem of unemployment in Canada. We have to try to do something about it. There are certain classes of unemployed which cause me more concern than others. One of these is youth. When I think that in the last generation a great many of the youth were killed or maimed beyond repair, and that this generation of youth in quite a different way are being injured beyond repair—

Mr. BOURASSA: Morally and physically.

Miss MACPHAIL: Yes. Unless the despair can be lifted from their hearts very shortly, many of them will never be the citizens they would otherwise have been. When you think that out of our schools and colleges there come about 100,000 a year, and that only a small percentage of them are finding real places in life, we come to realize the magnitude of this problem. These young people come out eager and more anxious then than at any other time to get into the adventure of life, and it is a very serious condition when they have not the opportunity to work.

We have heard lately a great deal about crime, criminals, penitentiaries, riots and that

sort of thing. One of the difficulties is that we have overcrowding in our penitentiaries; there are many other things wrong. We have a penal system that is antiquated and that belongs to another age, not this one at all. But part of the trouble is due to overcrowding. The majority of people in our penitentiaries today are young people. The striving, eagerness and restlessness of youth will find an outlet, whether the policy of the government or the policy of the society in which we live will allow it a suitable outlet or not. They will find an outlet whether by quarrelling, thieving or whatever it may be. Anyone who has taught school knows you cannot have young, restless people doing nothing, and not have trouble result. It is unavoidable.

When I heard an hon. member deplore the fact that some young chap had held a gun under his nose, I concluded that such a condition was deplorable—especially if it was not the right nose. But on the other hand there is no use in blaming youth. There is no use in saying all we can do is to punish crime out of existence. That is nonsense; it cannot be done. While I believe there should be control and that there should be punishment as part of the process of reforming the individual, I believe also that punishment alone should not be resorted to. I know enough about youth to know that. Surely all of us who know young people know that the eagerness, the drive and the urge in youth will find an outlet, good or bad.

The second class that concerns me among the unemployed are the "young-old" I named them myself—the people around fifty who with their experience and training and matured knowledge of life should be at the height of their usefulness. In far too many cases the unemployed are people around fifty, a disastrous age at which to make people feel useless and discouraged. Many such start the car in the garage and are found dead; or they jump into the river or take whatever seems the best way out. At any rate they are despondent and despairing. I visited several shelters last winter, and it was one of the hardest things I have ever done, seeing people of all ages scurrying around to avoid saying a word to me, to avoid meeting me—I do not think it was just meeting me; I think it would have been the same with any hon. member who had gone there. They did not want to discuss their plight; they were ashamed, cowed, beaten. That is the worst possible thing that can happen to any group of citizens, and when it comes to the point that we must decide between the chances for youth, the morale of great groups of our citizens, of the young-old, and finance, then it does not take me a moment to decide; I decide for humanity and human happiness, let it take what toll it will of accumulated wealth.

[Miss Macphail.]

On motion of Mr. Ralston the debate was adjourned.

## PRIVATE BILLS

### EXTENSION OF TIME FOR RECEIVING OF PETITIONS

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, with the consent of the house I desire to move, seconded by Mr. Rhodes:

That the provisions of standing orders 92 and 93 with regard to time limits for receiving petitions for private bills be suspended, and the first day of the present session in relation thereto be deemed to be the 30th January, 1933, instead of the 6th October, 1932.

Motion agreed to.

## ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: I do not know whether it is the desire of the house that we should sit in the morning. Apparently it may not be possible to conclude the business this week, in view of the length of the discussions that have taken place. If it is the desire of the house that we should sit—

Some hon. MEMBERS: Yes.

Mr. BENNETT: I move, seconded by Mr. Guthrie:

That when this house adjourns it stand adjourned until eleven o'clock tomorrow morning (Friday).

Motion agreed to.

Mr. MACKENZIE KING: I assume it is understood that the procedure with respect to supply will be the same tomorrow as it was on Monday, Tuesday and Wednesday.

Mr. BENNETT: Clearly, in view of the consent given today, it must be treated as being a day in which the motion has to be made for the Speaker to leave the chair. That is what I apprehend the right hon. gentleman means, and we shall treat it accordingly. If we get into supply we will have to proceed with some items at least. There are two bills left; one will be the second reading of the redistribution bill, which should not

take long; the other may take longer. If we get into supply we might pass the non-contentious items, get through the other two bills, and then conclude with supply. I do not know whether it is possible for the house to conclude tomorrow or not. It would seem probable that it is not, in view of the discussions that have taken and will take place; but we will do our best in that regard, and meeting at eleven o'clock may assist to that end.

Mr. MACKENZIE KING: It is not for me to make any suggestions to the Prime Minister—

Mr BENNETT: I should be glad to hear them.

Mr. MACKENZIE KING: I imagine if we have the redistribution measure first, then the other bill, and then resume consideration of the motion for committee of supply, we would probably make more headway.

Mr. BENNETT: That is what I gather, and I suggested that we should go into supply and pass some items first. In view of the present standing of the debate on the motion that the Speaker do now leave the chair, I assume he will determine that we should proceed with that before we go to the bills. If not I am perfectly content to move the redistribution bill first.

Mr. MACKENZIE KING: Start with the redistribution bill.

Mr. BENNETT: I do not know whether we can or not, but if we can, we will.

On motion of Mr. Bennett the house adjourned at 10.58 p.m.

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## Friday, November 25, 1932

The house met at eleven o'clock.

### UNEMPLOYMENT RELIEF

Mr. GORDON: I desire to lay on the table of the house certains orders in council passed pursuant to the relief measures.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### STEAMSHIP CYMBELINE INVESTIGATION*

Mr. CASGRAIN:

1. Has the investigation, ordered by the government in the matter of the ss. Cymbeline at the Vickers dry dock in Montreal, been terminated?

2. Has the government received the final report of the commissioner?

3. What has been the cost of said investigation?

4. How much was paid by the government to the commissioner and to the lawyers appointed by the government to represent the public before said commissioner?

Mr. DURANLEAU: I have received verbal information to the effect that the investigation has been terminated, but as yet no report has been received by the department. However, it is expected that this will be forthcoming in a few days. The answers to the last two questions will be in the negative.

#### DEPARTMENT OF AGRICULTURE—MISS RUTH EDWARDS—MISS MARGUERITE GIRARD

Mr. GAGNON:

1. Was one Miss Ruth Edwards employed in the Department of Agriculture at Ottawa since 1920?

2. If so, how long did she work in Ottawa?

3. Has she been transferred to Montreal?

4. If so. for what reason?

5. Did the department try to send her to the maritime provinces before transferring her to Montreal?

6. Who recommended such a transfer to the Civil Service Commission?

7. What reasons were alleged for such a transfer?

8. Did the department consider, before making such a transfer, that the transfer of Miss Edwards was preventing promotion of other employees?

Mr. WEIR (Melfort):

1. Yes: Miss Ruth Edward (not Edwards) was employed at Ottawa.

2. In the Department of Agriculture from November, 1918, to June, 1919, and continuously from October, 1919, to July, 1929.

3. Yes.

4. (a) There was need in Montreal for one seed analyst thoroughly proficient in the English language, the former English-speaking analyst having died, (b) Miss Edward's parental home is in Montreal, (c) The work at Ottawa had decreased because of the establishment of a laboratory in each of the maritime and Quebec inspection districts and the transfer to these laboratories of work formerly done at Ottawa.

5. No.

6. The Deputy Minister of Agriculture on the recommendation of the seed commissioner.

7. Answered by No. 4.

8. No. The established position occupied by Miss Edward in the Ottawa laboratory was also transferred to Montreal.

Mr. GAGNON:

1. Was one Miss Marguerite Girard employed in the Department of Agriculture, seed branch, Montreal, in the province of Quebec?
2. If so, since when?
3. In what capacity?
4. What salary did she receive?
5. Was she recommended to the Civil Service Commission by the Department of Agriculture in 1931 and 1932 to be employed in Montreal?
6. If so, who signed the recommendation for the Department of Agriculture?

Mr. WEIR (Melfort):

1. Yes.

2. Each seed testing season since January, 1926.

3. January 4, 1926, to May 15, 1926, temporary junior seed analyst; December 20, 1926-April 30, 1927, permanent-seasonal junior seed analyst; January 9, 1928-June 30, 1928, permanent seasonal junior seed analyst; December 17, 1928-April 30, 1929, permanent-seasonal junior seed analyst; January 7, 1930-July 6, 1930, temporary seed analyst; January 12, 1931-July 11, 1931, temporary seed analyst; March 1, 1932-May 31, 1932, temporary seed analyst and junior seed analyst.

4. 1st season, $65 per month; 2nd season, $65 per month increased to $75 per month; 3rd season, $75 per month; 4th season, $75, increased to $80 per month; 5th season, $100 per month; 6th season, $100 per month; 7th season, $100 per month as seed analyst for one month, $65 per month as junior seed analyst for two months (less 10 per cent).

5. Yes.

6. Dr. J. H. Grisdale, Deputy Minister of Agriculture.

## QUESTION PASSED AS ORDER FOR RETURN

### CANADIAN MERCHANT MARINE—SUPERIOR OFFICERS

Mr. LAVERGNE:

How many superior officers in the Canadian merchant marine are Canadian citizens or native Canadians, and how many were born in foreign countries or in Great Britain?

Mr. MANION: I have endeavoured to obtain these names but if the hon. member will be satisfied to allow this question to stand as an order for return I will bring down the return later on.

## INCOME WAR TAX ACT

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think it well to state that in view of the representations which have been made during the last few days in connection with Bill No. 11, notably a request from the board of trade sent by way of a telegram received yesterday and asking that further consideration of this bill be deferred until January 30 in order that they may have an opportunity to make representations, we will leave this bill on the order paper until January 30. I have conferred with the commissioner of income tax who informs me that no public interest will in any sense be injured by reason of this bill standing until that date. I believe there is a misapprehension upon the part of the Toronto Board of Trade, but in view of the shortness of time we thought that no injury would be done if the bill stood until January 30.



## REDISTRIBUTION BILL

### READJUSTMENT OF REPRESENTATION IN THE HOUSE OF COMMONS

Right Hon. R. B. BENNETT (Prime Minister) moved the second reading of Bill No. 2, to readjust the representation in the House of Commons.

He said: In moving the second reading of Bill No. 2, to readjust the representation in the House of Commons, I think it is necessary only to point out that the bill corresponds identically, except as to dates, with chapter 63 of the statutes of 1924. It is identical also with the bill introduced by the leader of the opposition (Mr. Mackenzie King) in 1923 when Prime Minister, except as to section 4 which has been amended to meet the changed conditions with respect to population. It might be pointed out that the practice of introducing this bill in this form commenced in 1903 when the late Sir Wilfrid Laurier brought in a bill which set forth the number of members to which the provinces would be entitled under redistribution, it being left to the house to determine the boundaries of the constituencies. This matter was very fully dealt with by the right hon. gentleman opposite when he introduced a bill in 1923, and I do not think any good purpose will be served by repeating the statements then made except to say that the practice commenced by Sir Wilfried Laurier in 1903 has been followed in subsequent redistribution measures. The old contest in the House of Commons over the boundaries of constituencies which

represented the views of the government of the day, has not taken place since 1903. In this instance, it is proposed to proceed exactly as has been done since 1903.

It will be recalled that the British North America Act provided that at Confederation the number of members in the House of Commons would be 181—this is covered by section 37—and that the method by which increases were to be made as provided by the constitution is covered by section 51, which reads:

On the completion of the census in the year one thousand eight hundred and seventy-one, and of each subsequent decennial census, the representation of the four provinces shall be readjusted by such authority, in such manner, and from such time as the parliament of Canada from time to time provides, subject and according to the following rules:

(1) Quebec shall have a fixed number of sixty-five members;

(2) There shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population (ascertained at such census) as the number sixty-five bears to the number of the population of Quebec (so ascertained);

(3) In the computation of the number of members for a province a fractional part not exceeding one-half of the whole number requisite for entitling the province to a member shall be disregarded; but a fractional part exceeding one-half of that number shall be equivalent to the whole number;

(4) On any such readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth part or upwards;

(5) Such readjustment shall not take effect until the termination of the then existing parliament.

It will be observed that the unit of representation is ascertained by dividing sixty-five, the constant number of members from Quebec, into the population of that province. Inasmuch as the boundaries of the province of Quebec were extended in 1912, it was provided, in order that the other provinces might not feel that they had been unfairly dealt with, that the population into which sixty-five would be divided would be the population of old Quebec, that is, the population within the area of the provinces as it was at confederation. The effects of the present census are set forth in the notes to the bill. It might be well to indicate the populations of the provinces under the census of 1931, which were as follows:

| | |
|---|---|
| Prince Edward Island | 88,038 |
| Nova Scotia | 512,846 |
| New Brunswick | 408,219 |
| Ontario | 3,431,683 |
| Manitoba | 700,139 |
| Saskatchewan | 921,785 |
| Alberta | 731,605 |
| British Columbia | 694,263 |
| Quebec (without new Quebec) | 2,872,078 |

The population of new Quebec is given at 2,177. The total population into which sixty-five is to be divided is 2,872,078, and the result of that division is a quotient of 44,186, which constitutes the unit of representation. By dividing the population which I have indicated for the different provinces with this unit of representation, we have the representation to which each province is entitled.

However, there are two exceptions which must be borne in mind. The first is found in subsection four of section 51 of the British North America Act, to which I have just directed attention. This deals with the diminution in population and provides that where the change in population does not exceed one-twentieth, there shall be no change, but where it does exceed one-twentieth, it is competent to reduce the number of members.

The second exception is to be found in the provisions of the constitutional amendment of 1915. It will be recalled that after Prince Edward Island came into confederation, the number of senators from the three maritime provinces remained at twenty-four. Two senators were taken from New Brunswick and two from Nova Scotia, and Prince Edward Island was then given four senators, so that Nova Scotia had ten; New Brunswick, ten and Prince Edward Island, four. But it was provided in 1915, in consequence of the representations so strongly urged in the house at that time, that a change should be made by amending the constitution and, as a result of the amendment which was made it was provided that the representation in the House of Commons should never be less than that in the Senate. So Prince Edward Island, which would be entitled to only two members, is, by reason of the operation of that provision, entitled to four and the province of New Brunswick that would be entitled to only nine members, under the rule set forth in section 51 of the British North America Act, will be entitled to ten members because it has a representation of ten in the Senate. There-

fore the application of the rule, with the exceptions to which I have just directed attention, would result in the following;

| Province— | Representation |
|---|---|
| Prince Edward Island | 4 |
| Nova Scotia | 12 |
| New Brunswick | 10 |
| Quebec | 65 |
| Ontario | 82 |
| Manitoba | 17 |
| Saskatchewan | 21 |
| Alberta | 17 |
| British Columbia | 16 |
| Yukon | 1 |

We have in the draft bill provided for one member for the Yukon, leaving its representation as it is. This makes a total of 245 members.

It will be further observed, from the notes that accompany the bill, that were it not for the application of the exception provided for in section 51, there would have been a loss of membership in Ontario, but inasmuch as the census indicates there has been no diminution that exceeds one-twentieth, the membership remains at eighty-two the figure we now have. The net result is that the representation of New Brunswick, as I said, will be ten instead of nine by reason of the provisions of the statute of 1915; that of Ontario will be eighty-two as it now is; that of British Columbia will be increased by two, from fourteen to sixteen; that of Alberta is increased by one, from sixteen to seventeen; that of Manitoba will be seventeen as it now is; that of Saskatchewan will be twenty-one as it now is; that of Prince Edward Island remains at four as it now is, by reason of the 1915 amendment referred to; that of Nova Scotia will be reduced from fourteen to twelve, the result being that we have a total of 245 members as the house is now constituted. I do not think it desirable to put on Hansard again the figures that have been so frequently placed there, but I wish merely to indicate the general principles that govern the redistribution and the result of the application of the rule and its exceptions.

When the bill has been read a second time, I propose to move that it be referred to a committee, the names of which I hope to indicate to the house before we adjourn, the motion being that the bill be referred to a committee to be set up, the names of which, as I say, I shall presently give, I hope possibly at three o'clock. It is thought a committee of twenty will be satisfactory, as according to the strength of the parties in the house the government would have eleven members, the official opposition seven, and the other groups two on that committee. That involves a fair and just application of the relative strength of the parties in the house to a committee of twenty.



Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the statement by the Prime Minister (Mr. Bennett) to the effect that the government intends to follow with respect to the readjustment of representation in this house about to be effected procedure similar to that which has been followed in the last three distributions, is entirely satisfactory. My right hon. friend says that the present bill is, with one exception which he has mentioned, identical with that which was presented to the house by the previous administration at the time of the last redistribution. That, I believe, is also correct and the fact may I say, quite satisfactory as far as we are concerned. In following the same procedure I hope it will be understood —and I assume it is from what the Prime Minister has just said—that the select committee of the house to be appointed and to which this measure will be referred, will be guided in its action by the same principles as guided previous committees in preparing the redistribution map, if I may so describe its work. In a word, the principles that have guided other committees have been, in the first instance, to follow as largely as possible the county municipal organizations in defining and delimiting the constituencies. The county municipal organization is that which is followed in municipal affairs and with respect to the judiciary and it is familiar to the people of the country generally. I suggest that it should again be adopted as largely as possible with respect to the defining of boundaries under the redistribution that is now to be made.

The second guiding principle is that the unit of representation in urban centres would necessarily be larger than that in rural constituencies. The reason for that is obvious. If it were not so, with the country as sparsely settled as it is in some parts, the rural constituencies would be difficult to control for purposes of administration. But there is a further and more important reason, and that is that as far as the urban constituencies are concerned, they have a means of voicing public opinion which rural constituencies have not. I need not mention the various organizations which exist in the urban centres, the large number of bodies such as boards of trade and commercial, industrial and social organizations,

all of which play a part in forming and expressing public opinion. But I would refer particularly to the effect of the press. The daily press of the country is for the most part, if not exclusively, to be found only in urban centres. The rural press is, generally speaking, weekly, semi-weekly or bi-monthly, and the press from the cities finds its way into the country districts to a very great extent, whereas the same cannot be said to be true of the press of the rural parts. As hon. members well know there is no other single factor that so largely goes to influence public opinion as the press. What is done in that way is reflected again by what is said here on the part of hon. members.

There is a further reason also, which I think will be apparent and which will appeal to hon. members. It not infrequently happens that rural constituencies are represented in the House of Commons by gentlemen who reside in cities and urban municipalities, but the reverse, except in very rare instances, is not the case. It seldom happens that an urban constituency is represented by someone who resides the year round in a rural constituency, but there are in the house at the present time and have been in all previous parliaments many hon. members who have represented rural constituencies but who are more familiar with the life of the cities and the large towns than with the life and needs of the rural communities. The principle of a larger unit for urban representation has been accepted practically ever since confederation by committees which have dealt with this matter, and I hope and asume full recognition of it will be given by the committee to which this bill will be referred.

There is an additional guiding principle, that, so far as reasonably can be arranged, there should be an effort at compactness in the shaping of constituencies. That permits of an expression of opinion from a community that is familiar with its own affairs, and in that way helps to give a more accurate representation of the views of the people.

Finally there is one other factor which I should mention, and that is that so far as it can be arranged there should be an equalization of the representation as between the different urban constituencies and as between the different rural constituencies; that is to say, as nearly as such can be worked out, having regard to the other guiding principles to which I have referred, there should be as between city constituencies a unit of representation approximating that in other cities, and as between rural constituencies there should also be as nearly as possible an equal unit of representation. Undoubtedly it would not be possible for a committee to work out any redistribution map with mathematical exactness. That cannot be expected. The most that can be expected is that the members of the committee will seek to be fair and just and to apply common sense in an effort to frame the redistribution map along the lines that I have indicated. The purpose of bringing together a number of members of the House of Commons around a common table to discuss with good intentions the framing of a redistribution that will be fair and equitable has been found to be an infinitely better method than the old one of having the government itself frame the map, in the first instance, and then bring it into this house for discussion. The report of the committee will of course be open to amendment, acceptance or rejection by the house, but it is to be hoped it will be so nearly a matter of general agreement, that none of these steps may be necessary.

May I point out that since this new method has been adopted of referring the question of delimiting the constituencies to a select committee of the house there has been unanimity on the part of the committee with respect to the measure that was subsequently recommended to the house. At all events agreement was arrived at. I think that was due to the fact that a real effort was made by the members of the redistribution committee to be as fair and just and use as much common sense as they could in framing the redistribution map. I believe that we shall be able to count on at least a like degree of agreement in any committee that may be appointed at this time.

May I add this further word? The Prime Minister has indicated that the committee is to be named forthwith. I assume that the proceedings of parliament will not continue much longer for the present, but it might be of advantage to those on the committee if its membership could be brought together before adjournment and the members themselves provided with what there may be available in the way of data, maps and the like, which later will have to be considered by the committee, and which if made available to the members at once would perhaps expedite the committee's work when it meets after the adjournment.

Mr. THOMAS CANTLEY (Pictou): As a Nova Scotian I was, of course, very much interested in the remarks of the Prime Minister, but I would like to call attention to what the effect of the rule referred to will be

so far as my province is concerned. At confederation Nova Scotia had a representation of 18 members in this house, and that was subsequently increased to 21. Since then our representation has gradually been brought down until today it is 14. Under the proposal referred to by the Prime Minister, after the next redistribution Nova Scotia's representation will be cut down to 12. Compare the position of Nova Scotia in that respect with that of Prince Edward Island. When Prince Edward Island came into the union we unfortunately lost two senators as did also the province of New Brunswick. Subsequently the British North America Act was amended to give to the province of Prince Edward Island four senators and an equal number of members of parliament. The population of Prince Edward Island is practically one-sixth of that of the province of Nova Scotia, yet their representation in this house is one-third that of the province of Nova Scotia. I do not intend to discuss this matter at any further length because I assume that the whole matter will be fully discussed before the committee. I trust that the committee and the house generally will take a sympathetic attitude regarding the representation of the province of Nova Scotia, which I hold should not in view of the understanding under which we entered confederation fall below the present number of 14 members.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I call attention to the fact that we in the west, where there is any increase in population, have just as great a right to our proportion of the representatives that are due to us, and if we are going to begin to give fixed number of representatives to certain of the older provinces it is going to create a very serious situation across the west. There cannot be two or three different classes of Canadians in this country, with certain classes having superior rights to others. If a mistake was made in giving a fixed number of representatives to Prince Edward Island there is no reason why we should follow a bad precedent. The way to get away from that is to amend the British North America Act so that Prince Edward Island would have only its due number and not a number out of proportion to the rest of the country.

Hon. ERNEST LAPOINTE (Quebec East): I agree with the last speaker (Mr. Woodsworth) that there should not be different classes of Canadians when it comes to representation in parliament. The right hon. the Prime Minister has accurately and fairly stated to the house what the legal position is with regard to the basis of representation in the house.

I wish to call attention to an anomaly which is being discussed at the present to a considerable extent in my own province. As the right hon. gentleman has said, the basis of representation is the unit as determined by dividing the population of the province of Quebec by 65. The representation of the other provinces is supposed to be based on that unit of population. I think every hon. member of this house by a simple computation will see that the changes which are effected by one subsection of section 51 of the British North America Act work most unfairly in respect of the representation of the province of Quebec. I take the figures in bulletin No. 20 of the census of 1931, which show the quotient of the province of Quebec, of the new Quebec so far as its representation is concerned, to be 44,186. If you apply this quotient to Ontario you will find that if Ontario is granted 82 members, as it will be, and I agree that until a change is made in the British North America Act it should be done in that way, the unit in Ontario will be 41,849 as compared with 44,186 in the province of Quebec. Surely my friends from Ontario are just as well qualified as we are in the province of Quebec to represent the same number of people. But they will not, under the new redistribution; they will represent only a unit of 41,849 people. The anomaly of that situation is more glaring under the present redistribution because this great difference did not occur in 1921. In 1921, if the exception under subsection 4 of section 51 had not been applied, under the quotient Ontario would have had 80·86 members which would mean, under the act, 81 members. But this year the quotient of Ontario is not even 78, but 77·66. Therefore I say it is certainly unfair. I have tried to find in the debates on confederation and elsewhere the reason for the exception in subsection 4 of section 51, but have been unable to do so. This subsection is as follows:

> On any such readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth part or upwards.

Why this provision? I cannot find why it appears; I should be pleased if some one could give me a reason. Perhaps it was inserted to help some of the smaller provinces, but when it works the way we see it will

work this year, certainly it is an anomaly which works unfairly. I am sure hon. members from Ontario want only representation by population. Before confederation they fought for it, and that should be the principle governing that province. What amazes me is that this same principle is not working the other way. Why should not the representation decrease when its proportion of population with regard to the whole of Canada has not decreased by one-twentieth? Why should it increase if the number is increased by less than one-twentieth? As it is, any other province which would come under the same conditions keeps its representation, not on account of its own increase, but because of decreases in other parts of Canada,—and not of Quebec, which is taken as the pivot. If anybody can give me one sound reason for it, if anyone can tell me why Ontario should have only 41,000 as a unit of representation and we from Quebec should have 44,000, I am quite willing to listen, I cannot see how any reason could exist.

A suggestion was made that in order to equalize with Ontario, the number of representatives from Quebec should be increased. I do not think that would be a fair way of settling it. I believe the representation of Quebec should remain at 65, as fixed by the British North America Act, but that subsection 4 of section 51 should disappear. Then we would have a real representation by population. The right hon. gentleman opposite has stated that before parliament meets again at the end of January there will be an interprovincial conference. There are certain changes in our constitution, and with regard to taxation, which seem desirable. I submit the Prime Minister should place this matter before the premiers from the various provinces. If that were done I believe they would come to the conclusion that subsection 4, which certainly works unfairly, ought to be repealed.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I have observations to make on only two points in connection with this bill. First I should like to direct my remarks to the effect it will have on the province of Nova Scotia. I thoroughly agree with the hon. member for Pictou (Mr. Cantley) that it gives us a very great feeling of regret, and even of sadness, to see a progressive reduction in representation from our province. He has pointed out, and I shall supplement his remarks with figures, that since 1881 there has been, after each decennial census, a reduction in representation. In 1881 we had 21 members; in 1891, 20; in 1901, 18; in 1911, 16; in 1921, 14, and this bill provides for only 12.

I realize the fact, namely that it is in the bond, and that technically, according to the interpretation of the British North America Act, we must bow to the inevitable and, at least for the purposes of this bill, accept the reduction being made. I do feel however that we should not allow this occasion to pass without recording the position of Nova Scotia, and the idea which the fathers of confederation had in mind at the time they adopted a certain principle of representation. I shall take only a moment to remind the house that at the conference the Hon. George Brown when introducing the resolution with regard to representation, intimated that the practical result would be that "while lower Canada certainly will not be less, and the lower provinces may increase in population, they cannot decrease in the number of representatives." In contradistinction to that I point out to the house the fact that at every decennial census there has been a decrease. I point out, further, that the fathers of confederation had adequate representation in mind, and not only the principle of representation by population.

In support of that let me cite the instances of the provinces which came into confederation after 1867. The hon. member for Winnipeg North Centre (Mr. Woodsworth) has been rather strong in his intimation that we must stick to the letter of the pact, and that the calculations must be made directly in accordance with the terms of the British North America Act. Let me remind him—and I do not do it in any spirit of criticism—that when Manitoba entered the confederation she had a representation amounting to less than the required unit for one member. Yet Manitoba was given a representation of four members. In 1881, I believe it was, a readjustment was made as had been provided in the act admitting Manitoba. At that time it was found that, under the strict arithmetical basis to which the hon. member has referred, Manitoba was entitled to only three members. The fact is however that when readjustment took place she was given five.

Let me remind the house further that when British Columbia entered confederation the strict principle was not applied. I need not be tender in my remarks because hon. members must realize that I am making these statements to the house simply to show that the arithmetical basis has not been the only principle upon which we have acted when fixing representations. When British Columbia entered confederation it had a total

population of about 40,000 and was given representation of six members, and an irreducible minimum of six. Ten years after British Columbia entered she had only two units of representation, that is to say, her population entitled her to only two members. Ten years later, in 1891, she had a population which entitled her to only four members, if the unit of representation applicable to the maritime and other provinces which came into confederation originally, had been applied. Prince Edward Island had only five units of representation when she entered confederation, but was given six members. At the present time the representation of Prince Edward Island is four, the irreducible minimum. I just mention this to indicate to the house that it was not altogether arithmetic or mathematics that influenced those who were seeking to found and foster the Canadian idea of democratic institutions and representative government. So it is that Nova Scotia, New Brunswick and Prince Edward Island feel that they have made some contribution in men and women to the western provinces, the western provinces have had an increase not only in population but in territory as well, and we find ourselves today with the representation shifting to the west away from the provinces which originally entered confederation. I remind my friends that Nova Scotia was the cradle of representative institutions in British North America, and you cannot blame us for a feeling of regret and sadness that our representation is being reduced.

Let me close with this word taken from the case which was presented to the maritime commission three or four years ago.

> There is surely something wrong with the system of representation which penalizes some provinces for the sacrifices they have made in sending their children and their means to upbuild the other parts of the dominion, and which would fail to make any special allowance in their representation in the Canadian parliament in respect of their isolated position which prevents them from enlarging their bounds out of the public lands of Canada.

I submit, Mr. Speaker, although it cannot be done in connection with this bill, that the suggestion of my hon. friend from Quebec East (Mr. Lapointe), might well be accepted by the right hon. Prime Minister, the matter might be made a subject of discussion at the inter-provincial conference, and in view of the fact that constantly during the last two or three sessions there has been forecast the possibility of amendments to the British North America Act, it seems to me this subject is one which might well engage the attention of those framing these amendments and discussing the subjects to be dealt with thereby.



So much for the general point. The other point is in connection with Nova Scotia. It is felt that there is grave doubt as to whether Nova Scotia during the last ten years has had its full representation. That comes about, as was pointed out to the commission on maritime claims, by reason of the fact that in calculating the unit of representation based on the 1921 census it seems there was included the portion of Quebec taken in under the legislation of 1898, with the result that the unit of representation was increased, with the consequence that, dividing that unit into the population of Nova Scotia the amount left over after the even number of members was found, was less than one half, whereas as a matter of fact had that addition to the population of Quebec not been included the amount left over would have been greater than one half—

Mr. CANTLEY: And would have added another member to Nova Scotia's representation.

Mr. RALSTON: —and therefore would have entitled Nova Scotia to another member, as my hon. friend from Pictou (Mr. Cantley), suggests. It is too late to adjust that now, but I want to be sure, in connection with the calculation which has been made, that this mistake has not been made again.

Mr. BENNETT: That is clear.

Mr. RALSTON: I only want to mention this to the right hon. Prime Minister. The notes to the bill are very specific in setting out the proportions in 1921 and 1931 between the populations of each province and the population of the dominion. But the notes to the bill do not set out what it is in the publication issued by my hon. friend the Minister of Trade and Commerce (Mr. Stevens), with regard to the census, and when we come to take this matter up I should like to see in black and white as part of the notes, the population, indicating, if it can be done, the portion of the province of Quebec which came in in 1898, the portion which came in in 1912, and the original province of Quebec. Because that did give rise to heart-burnings in Nova Scotia, and we feel that it is quite possible that it deprived us of a member for the last ten years.

I know the Prime Minister will permit the reservation of anything we might have to say

with regard to the matter of calculation of the number of representatives to which Nova Scotia is entitled arising out of a possible error in calculating the unit of representation caused by this addition to the province of Quebec.

Mr. J. A. MERCIER (Laurier-Outremont): May I ask the Prime Minister a question? The right hon. gentleman mentioned a population of 2,000 for new Quebec. Do they exercise the franchise, do they vote anywhere, are they comprised in any constituency?

Mr. BENNETT: As far as I know they are attached to the hinterland of the constituencies that run straight through to the boundary of Quebec. But I am not certain of that.

Mr. LAPOINTE: When it was added to Quebec in 1912 it was stated in the law that it would not be taken into account.

Mr. BENNETT: But that is not the question the hon. gentleman asked. His question is whether or not the 2,177 souls within the province of Quebec do or do not vote. My memory is that they have a right to vote by reason of being the backlands of the constituencies that run straight through. That matter may easily be dealt with by the committee, I am not certain about it.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I would like to draw the attention of the government to the fact that there has been considerable agitation during the past ten years, perhaps not so much in recent years, to have representation for the Northwest Territories. I know that on one occasion there was some humorous discussion as to whether the natives should be entitled to vote. But that is not the question. The Yukon, which enjoys representation by the hon. the Speaker is very similar in its topographical features to the Northwest Territories, mining is becoming an important feature of the activities of the population there, and I thought that possibly the government would consider that this would be an appropriate time to give representation in this house in some way or another to the Northwest Territories.

With respect to the discussion on representation, may I say that I think it must be apparent to thoughtful men that we have too much representation in all our institutions. Naturally the excuse, if one would call it that, for the provinces and the municipalities having the representation that they enjoy in Canada today is that they take their cue from the federal government. I am well aware of the difficulties in the way of reduction of representation in the House of Commons, but I confess that I think in Canada we are entirely over-governed, that the cost of government is away beyond reason with respect to the services rendered. I do not say that arises from over-representation, but I do say that if we have the population in Canada that we hope for it will not be long before we have a tremendous representation in this house. And when readjustment, as suggested by the hon. member for Quebec East (Mr. Lapointe) is taken into consideration at the forthcoming conference that I understand is to take place during the recess, it seems to me that this would be an appropriate time to discuss this whole question. It does seem to me that we in Canada could get along with a much smaller representation for administrative purposes in all our deliberative bodies.

But my main object was to bring to the attention of the government the fact that no provision is being made to give representation to the Northwest Territories in the forthcoming redistribution.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, having been a member of the last redistribution committee, and having, I hope, taken my duties at that time somewhat seriously, I arrived at two or three opinions as a result of my experience which I should like to state briefly today. I am not going to comment on the general aspects of the bill, I think the procedure that has been followed the past years and which will be adopted is as fair and equitable as it very well can be. I think the bill we have, based as it is upon our constitution, the British North America Act, is the normal and proper bill on such an occasion, but there are one or two points which were the subject of very definite discussion the last time, which I have no doubt will be discussed just as strongly this coming year.

The first point was the general question of representation by population, "rep by pop" as it is popularly called; that is, the question of whether the rural and urban constituencies should have exactly the same unit of representation. In the last committee there was a very strong body of opinion in favour of "rep by pop," but there was a somewhat stronger body against it. I must say, Mr. Speaker, that I am absolutely in agreement with the position taken by the leader of the opposition (Mr. Mackenzie King) in that respect; that is, that the rural constituencies should have a smaller unit of representation than the cities. After all, why do we have this representation? I assume that it is in

order that under our laws and our taxation customs absolute equality shall prevail throughout the country, so that each section of the population shall be dealt with fairly. But, as has been pointed out by the leader of the opposition, the representation in the House of Commons is not the only form of influence which has to do with the making of our laws or the formulation of our taxation policies. There are others. The right hon. gentleman referred to the question of the press, and undoubtedly in the matter of formulating and expressing public opinion the cities have a far greater opportunity through the public press than have the rural communities. But apart from that there is another question; the financial domination which is inseparable from the cities carries with it a tremendous influence which is not found in the rural communities. In that way, too, the cities have an opportunity to impress their beliefs, their ideas and their opinions upon the country and to put them into effect to a far greater extent than has a scattered rural population. Then there is the fact that through the centralization of population public opinion can be drawn together and expressed forcibly and adequately so much more easily and readily in the cities than is the case in the country.

For all these reasons I think it very essential that the committee which will meet during the next part of this session should be very careful that the rural communities carry in every respect as fair a share as possible of influence upon the laws of the country. It must be recognized that from the very nature of our progressive civilization, making no reference to special laws which may favour the cities and which may naturally bring people together in industry, the proportion of our population found in the large centres must increase while the percentage found in the farming communities must decrease. There is no question about that. The fact that every new industry that is formed and every new want that comes into being is expressed in terms of industrial commodities makes it inevitable that this should be the case. On the other hand, however, there is no doubt that the rural portion of the community is of such tremendous importance that its viewpoint at all times must be adequately expressed.

As to the actual details of the bill, the Prime Minister has pointed to one or two factors which must be taken into consideration. First, of course, there is the factor of population, to ensure that after taking into consideration the question of rural and urban constituencies, the population shall be as nearly as possible alike in the various constituencies. There is the question of natural boundaries which must be taken into account so far as possible. There is the question of accessibility, so that the lines of railways and highways shall be followed as nearly as possible. There is the question of community interest, to avoid as far as possible the division of community interests and to bring about their centralization. All those matters must be taken into account, but there is still another factor which appeared when the last bill was under consideration, and which undoubtedly will be found again. This is a factor which, to my mind, should be ignored as far as possible. I refer to the political factor. May I suggest that the members of the committee which is to be set up should avoid as far as possible this political factor, this desire which always has been found so to divide the ridings as to ensure a majority for one party or the other. I need only allude to that point and to glance at the faces of the older members of this house to assure myself that they understand the point. I think it very desirable that in this year of grace we should go a little beyond that and attempt so to carry on this redistribution that the people of the country, regardless of political affiliations, may have an equal chance to express their opinions when the time comes to do so. I only refer to that point because it is a question that is very dominant in the minds of the people at this moment. They are wondering today whether the committee will rise above those considerations or whether they will be influenced too much by them, as has been the case sometimes in the past.

Some hon. MEMBERS: Carried.

Mr. BENNETT: If that closes the debate I have just a word or two to add. My hon. friend from Quebec East (Mr. Lapointe) applies mathematics to the problem; my hon. friend from Shelburne-Yarmouth (Mr. Ralston) desires that mathematics shall not be applied. I can only say this, that what the east has lost in representation it has secured in no inconsiderable extent in representation in the newer provinces. A very large number of former residents of the three smaller provinces are residing now in at least three of the larger provinces, and representation is obtained in that way. I count it a privilege to have been born in New Brunswick, though I have the right to vote for and represent an Alberta constituency.

I should like to say just one word to clear up a difficulty in connection with a matter mentioned by the hon. member for Shelburne-Yarmouth. I cannot find that the hon. member is correct in his statement that Nova Scotia lost a member by reason of what transpired at the last redistribution. Hon. E. M. Macdonald, who was then a minister of the crown from Nova Scotia, threshed out that matter very thoroughly. I am only speaking from what I understand to be the facts, since I was not in the house at that time, but my information is that allowance was made for the factor to which the hon. gentleman refers. I understand that Mr. Macdonald pressed the matter very strongly but was overborne by mathematics and was unable to secure the retention of the additional membership to which the hon. gentleman has referred. I believe that on inquiry he will find this to be so, and I believe an investigation will satisfy the hon. gentleman that it is mathematically correct.

Further I should like to say that I do not think it probable that a provincial conference that has to deal with the problems with which we will have to deal will be in a position to discuss constitutional changes on general lines. The ex-Minister of Justice knows how contentious that subject is and how difficult of solution is the question of the amendment of the constitution on a large scale. That would involve a reconsideration of the question of the basis of representation in parliament. Sometimes I do think, and I believe most hon. members of the house will agree, that those who were responsible for the British North America Act were exceedingly wise men. When one thinks how, with changed conditions and new circumstances, we have been able to work out our problems within the elastic provisions of that statute, one has more and more regard, esteem and reverence for the genius of the men who prepared it, especially sections 91 and 92. When I look at section 51 I realize that those who had to deal with the problem felt that one day there would be a larger Canada and that sixty-five should be—I was very pleased to hear the hon. gentleman say that it was very proper that sixty-five was the unit—the unit. It is an amazing thing how the application of the principle mentioned in that section has kept pace with the expanding population of the country, the population of Quebec having kept pace and really more than kept pace with the growth of other parts of Canada. Of the older provinces, undoubtedly it was the province to select for a fixed representation. The result is amazing when you contemplate it in the light of circumstances which have since transpired.

There is always a difficulty between the rural and urban populations.

Mr. LAPOINTE: Before my right hon. friend comes to that, would he kindly give a justification for subsection 4 of section 51. Why should the unit of Quebec be 44,000 and that of Ontario 41,000?

Mr. BENNETT: I am glad my hon. friend mentioned that point. I know of no reason why, except that the two smaller provinces desired to ensure their position in confederation. I, like the hon. gentlemen, have not been able to find anywhere any discussion of this matter. At one time I intended to ask Sir Joseph Pope if there was any memorandum of Sir John Macdonald's on the matter, but so far I have not found anything which bears upon this particular point. Looking now at the matter as it stands, I am inclined to think that that one-twentieth or five per cent leeway was put there to protect the smaller provinces. I may be wrong, but that is the only suggestion I can give in answer to my hon. friend.

Mr. LAPOINTE: It probably works only one way.

Mr. BENNETT: Undoubtedly it works only one way, it has the effect of increasing the unit of representation as it concerns Quebec and in many instances it places other provinces in not quite as good a position as the province of Quebec.

I was rather amazed at the argument of the hon. member for Red Deer (Mr. Speakman), who seemed fearful of political considerations prevailing in a committee which is to be selected by mathematical processes. The figures are very clear. We would have 11·265 members on the committee, the official opposition would have 7·265 and Labour, the Independents and the United Farmers of Alberta would have 1·469. They have less than one and one-half and they are being given two, while the Liberals and Conservatives are losing their half. It was a rather strange argument which the hon. member used. He made a plea for the recognition of the rural population through a higher ratio of representation in the house than that enjoyed by the urban population. It rather negatives the argument of the hon. member for Quebec East (Mr. Lapointe), it was an assertion that 50,000 people in one part of Canada should have but one member while

20,000 in another part would have the same representation. That was the argument. If he was fearful of political considerations prevailing and felt that there should be equality in every part of Canada with regard to representation, how is his first plea supported? What he did in the early part of his argument was to contend that one man residing in the country should have as much influence as two and three residing in the city. He then closed by saying that political considerations should not prevail in order that the farmer would have the same rights as the city man and be in the same position. I leave it at that.

I desire to associate myself with what has been said in comparing the present method of proceeding by way of committee and that taken by the old parliaments when they themselves made the redistribution. In the old days, the government of the day brought in its bill, which was sometimes called a jerrymander bill.

An hon. MEMBER: Quite often it was.

Mr. BENNETT: The boundaries of the constituencies were defined by the government of the day and my reading leads me to the firm opinion that there has never been a time when the rural population of Canada has received such a relative representation compared with the urban population as it does today. I think the reasons for this were stated quite clearly by the right hon. the leader of the opposition.

I cannot anticipate the principles upon which the committee will act. It will be a committee selected from the 245 members of this house. It will be comprised of twenty fair-minded men who will deal with this very difficult problem with all the ability and skill at their command. I fancy it will be recalled by the right hon. gentleman opposite that upon one occasion this committee was not able to complete its duties within a year and had to go into the following year because of the difficulties with which they had to deal. The right hon. gentleman said that the last committee was unanimous but I should think that one would have to put a slight shade of meaning upon the word "unanimous" in order to arrive at that conclusion. For the sake of argument we will admit that the report was accepted by the house as being substantially unanimous, which was a great triumph over prejudice and partiality.

Mr. MACKENZIE KING: I thank the right hon. gentleman for his references.

Motion agreed to, and bill read the second time.

[Mr. Bennett.]

Mr. BENNETT moved:

That Bill No. 2, intituled an act to readjust the representation in the House of Commons, be referred to a special committee, the names of the members of such committee to be given at a later date, with instructions to prepare schedules to contain and describe the several electoral districts entitled to return members to this house and to report the same.

Motion agreed to.

## SUPPLY—FISHING INDUSTRY

### FISHING INDUSTRY

The house resumed from Thursday, November 24, consideration of the motion of Mr. Rhodes for committee of supply.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, in connection with this motion I shall detain the house but a few moments in dealing with the conditions which prevail in the country generally and in connection with the fishing industry in particular, which industry has been hit as hard as any natural industry which could be mentioned.

Taking the conditions in the country as a whole, I think we are all agreed that they are perhaps worse than any which have prevailed at any time since confederation. There can be no division of opinion in connection with a situation where between seven and eight hundred thousand people are receiving relief. While we may say that it should not be so and while we do say that promises were made that it would be otherwise, for the moment we must devote ourselves to endeavouring to find some solution for the problem and some mitigation for the conditions which will exist this winter.

There is going to be a day, perhaps not far distant, when an accounting will be demanded of the stewardship of those who are in power at the present time. There is going to be a day when men will ask a reason for the disastrous condition which has followed the very flagrant breaches of undertakings which were given in 1930. But we can afford for the moment to leave that to one side in order to discuss conditions as they exist at the present time and any thing which may be done to ameliorate them. The other evening the Prime Minister made a statement which was regarded in the country as being rather important, namely, that a provincial conference was being called, but with due respect—and I am not making this criticism in any carping spirit—I felt that perhaps too much emphasis was laid by him on matters that are not essential at this time. It was pointed out to us that this conference would be held

in order to discuss amendments to the Companies Act. Of course such amendments are important, but they pale into insignificance beside the question of unemployment and that of the necessity of our people having an opportunity to earn a living. Amendments to the Insurance Act and the question of provincial and federal jurisdiction were to be discussed as well. The matter of spheres of taxation was also to be taken up. I felt that the real object for which this conference ought to be called was somewhat beclouded by the extended references which the Prime Minister made to those matters which would be discussed at a provincial conference at any time, in any year in the history of the dominion and that the real object for which this conference should be called, and I hope the real one which the Prime Minister has in mind, was the discussion of unemployment and relief conditions and the possibility of providing an opportunity for our people to work.

The right hon. leader of the government (Mr. Bennett) has repeatedly in the house mentioned the constitutional question. I do not think there is any difference of opinion in this chamber or in the country with regard to the constitution. We all agree that in times of national emergency the dominion has jurisdiction to legislate or to impose its will upon the people of the provinces; that it assumes paramount legislative jurisdiction. But we are not at this time—and I commend this to my right hon. friend—talking about the question of imposing obligations on provinces or on the people of the provinces; we are talking about the possibility of conferring some benefit upon them and there is in the British North America Act, that sacred ark of the covenant, nothing which prevents us from doing so. My right hon. friend draws a distinction between a national emergency and a national condition. The people do not care one whit whether it is a national emergency or a national condition; they are hungry and cold and need shelter.

Mr. POULIOT: They are in distress.

Mr. RALSTON: Yes, they are in distress. It does not make any difference what you call it, if the federal authority has power within itself to deal with the situation, it seems to me that my right hon. friend cannot get rid of the responsibility. All the discussion that there has been about the British North America Act, the jurisdiction of the provinces and the inviolate field which must be maintained there with regard to legislation amounts to little when we have the responsibility definitely assumed by the Minister of Labour (Mr. Gordon). He has made the position of the government abundantly clear; as a minister of the crown in a federal government which takes its jurisdiction from the British North America Act, he says this: "No one need worry about being adequately supplied with food, clothing, fuel and shelter." There is a responsibility assumed, and I do not think there is any need of a lengthy discussion on the question of the constitution. The government has assumed the obligation and the question is now: What is the best way to carry it out? I say frankly to my right hon. friend that when you use federal money, for instance, as it is used in connection with the Old Age Pensions Act, you may impose conditions and say to the people: You may use this money only provided those conditions are observed. My right hon. friend two years ago, in bringing down the provision for unemployment relief, expressly imposed by order in council provisions in regard to accounts, and in regard to supervision. All those were put into the order in council and nobody suggested that this was unconstitutional. So in the same way we can suggest and impose conditions whenever we pay money out of the federal treasury. Nobody doubts that the Dominion of Canada has power to pay money out of the federal treasury for these purposes of relief. The Minister of Labour has admitted that and the question of jurisdiction is rather beyond the point now, having regard to the serious situation which confronts us.

I do not intend at any length to go into the question of the method whereby that general principle is to be carried out. I say this to my right hon. friend, since he has suggested that a provincial conference should be held. I reiterate what my right hon. leader has said so frequently that the people of Canada are entitled to see some mobilization of the business, industrial, agricultural and economic forces of this dominion in order that plans may be worked out to deal with this situation. I do not think that is a reflection on the government. The same thing is being done in the country to the south of us. It seems to me that the problem is far and away beyond one simply of government and administration, and while the government have the responsibility for the expenditure of this money, at the same time I do not think they would be humiliating themselves in the slightest if they took the advice of some national council which could survey the field broadly, not from the point of view of legislative jurisdiction alone. What I mean by that is this: I mean there may be in the dominion certain industries which, if assisted to a reasonable extent by a direct grant of money, if you like, might provide substantial

employment. For instance, those who are engaged in and familiar with the lumbering industry might be able usefully to advise the government in that respect. With regard to plans which might be made as to conditions under which the money is to be spent, people throughout the dominion could give advice out of their ripe experience and their knowledge of the business in which they are engaged and the part of the country from which they come. That is not handing jurisdiction over to a federal commission or a violation of the British North America Act, but it is carrying out the idea of national cooperation and the mobilization of national forces. That is what has been suggested repeatedly and what is at last being adopted in a more or less modified form by my right hon. friend when he suggests conferences. Let me point out to him that this matter of conferences is not new. He had in 1930 exactly the idea which I am now trying to express. I find in his speech on the address in reply to the speech from the throne, he complains on February 24, 1930, about conditions in Canada being very, very bad. I quote from page 18 of Hansard of that date where he is reported as saying:

> What about conditions in this dominion at this moment? What about conditions from east to west? It is true that part of the unemployment is seasonal; but since the beginning of the year I have traversed Canada from Victoria to the far east and in every city of this dominion, east and west, there is abnormal unemployment, so that men who are accustomed to give, as I have been, to assist those who are unable to earn sufficient to keep body and soul together, have never before seen such distress as I have seen in the communities I have visited.

Then he goes on:

> What was the Minister of Labour doing? What was the Prime Minister doing? Were they calling conferences? The only conferences they were calling were conferences to determine how best they could ward off the blows of an indignant people. The only conferences they were having were as to how they might increase their power and retain their positions. I have received a telegram from the secretary of the Miners' Union at Fernie indicating that their mine is closed because it is owned in the United States by one of the great railway systems and in pursuance of the policy of Mr. Hoover to give employment to the people in that country they are going to mine coal in the United States and shut down the Canadian mine. What is the Minister of Labour doing about the matter? Where was there a conference of Canadian business men?

This is what we are suggesting.

> Were they asked to meet together? They were not.

My right hon. friend now suggests they cannot be; that the constitution prevents it. I submit to him that there is no doubt in the world he was then suggesting the very thing which we are suggesting now. He goes on:

> When a meeting was called by Mayor Webb in Winnipeg of all the mayors of western towns and representatives of western provinces as well, the minister will recall that he was to attend and it was given out that he was ill and unable to go, but his illness was not so great as to prevent him from attending banquets around but not on that particular date.

There was a clear intimation by my right hon. friend the Prime Minister that he did believe in the calling of conferences, the calling of those who had experience in connection with the general business and industrial life of the country. The seriousness of the condition then did not compare with conditions today, and I submit to him, even though two years have passed, and although the delay has been very harmful, it is not too late for some such conference as this to be called in order that this country, if it is going to revive from the situation in which it finds itself, may have the assistance of the brains and experience of our business leaders and of those engaged in both natural and manufacturing industry all over this country. That has got to be done, and I submit to my right hon. friend that that should be done now regardless of whether or not an interprovincial conference is going to be called. I mention this in passing because I do feel that we should not spare any endeavour to impress on my right hon. friend the necessity for national organization to take hold of the situation in which the country finds itself at the present time.

I want to refer for a moment or two to an industry that has not been mentioned here. Agriculture has been mentioned, and there has been a good deal of talk about manufacturing. I want to refer to the fishing industry in which are engaged in the province of Nova Scotia some 20,000 men, and which industry provides, or should provide, a livelihood for these men and their families.

An interesting sidelight came to me recently in connection with this matter of fish. We are all looking for markets for lumber, for wheat, copper and fish. I pick up the St. John Telegraph-Journal of November 23, and I find there the menu provided at the penitentiary of St. Vincent de Paul for a week. Do you know I have searched that from start to finish, and there is not a single item of fish on the menu.

Mr. ERNST: I beat you to it. I drew the matter to the attention of the Fisheries Association.

Mr. RALSTON: My hon. friend is always ahead. I only want to say to the government, no wonder these men in St. Vincent de Paul rebel.

Mr. ROSS: They may refuse fish, just as they have refused porridge.

Mr. RALSTON: If you put fish on the menu I think probably those men would return to sanity and be perfectly tractable. I commend that suggestion to the minister, not to the Fisheries Association, but to the Minister of Justice whose department provides the menu in St. Vincent de Paul. That is an instance of what goes on. Even for Friday I cannot find fish on the menu.

Let me speak for a moment with regard to conditions in the fishing industry as I know them in the western end of Nova Scotia. These men and women are not asking for sympathy or relief if they can have an opportunity to earn a living in their vocation. I want to point out to the government that there is a possibility of at least substantially improving the situation down there without going to the extent of relief; that is, the payment of actual dollars which would otherwise be necessary. I want to give two or three instances to the house showing what these men earn who are engaged in this hazardous industry.

Let me remind the house that the individual shore fisherman and the men who go out in a two-man or three-man boat probably out at three in the morning and do not return till late in the afternoon. He may have had a poor day or a fairly good day. He has to pay for his oil and his gasoline and his bait and for the upkeep of his boat, and sometimes he does not catch enough fish to pay his expenses at the very low prices for fish now prevailing. I have here some actual examples of what these fishermen have earned, men who have persistently pursued their vocation in an endeavour to make a living.

Here is one case of two men going out two months day after day and getting a total of $64 for the two months' work. Interest, upkeep and depreciation comes to $20 for a boat probably costing $600. The net result is $44 for two months' work, on which these men have to keep themselves and their wives and families.

Here is another case of two men going out day after day, and at the end of the trip they average $15 for two months' work. They get $36 altogether. Their out-of-pocket expenses were $21, leaving $15 or $7.50 apiece for the two months.



Here is another case of men going out in a schooner for a trip of eight weeks. I find that these men got a little over $25 per man for that eight weeks' period.

Here is the case of two men making eleven trips covering a two months' period, going out in a two-man boat, and making $92 altogether; out-of-pocket expenses $38; $20 for interest, upkeep and depreciation; leaving $34 to divide between himself and his buddy. Think of it, $34 for two months' work for two men.

Here is another fisherman whose gross is $56; out-of-pocket expenses $26; $20 for interest, upkeep and depreciation; actual net, $10 to be divided between two men for two months' work.

Another fisherman gets $26 in a two-months' period; expenses $16, leaving him $10, out of which he has to pay interest, upkeep and depreciation.

Here is the case of a three-man boat making ten trips, with a gross of $138; interest, upkeep and depreciation, $48; leaving $90 to be divided among three men for two months' work.

Another instance. A four-man boat makes seven trips and grosses $123.15; out-of-pocket expenses $63; interest, upkeep and depreciation $40, leaving $20 to be divided amongst four men for two months' work.

The house might ask why is there this difference between the number of trips that these men take. The difference is due to this: Men who are away behind cannot afford to go out except on the very best days. They cannot afford to pay for gasoline and oil and bait and run the risk of a bad trip and a non-productive catch. I emphasize again that this is hazardous work. It is the hardest sort of work, and these men are constantly at it in an endeavour to make a living.

You ask me, what is the remedy? The situation is this. That fish is bringing from three-quarters of a cent to one cent a pound. The difficulty is that these men are directly in competition with the trawlers which have been repeatedly mentioned in this house and in orders in council and even in statutes. I submit that at this time the remedy is for the government either definitely to refuse licences for the trawlers which are operating or to so reduce the number of trawlers, so that the fisherman will have the first chance at the market. I am not going into the history of the trawler situation except to put clearly on record that the Maritime Fisheries Commission in 1928 made a report, the majority recommending the absolute abolition of the trawler, and the minority, the chairman.

recommending that the trawlers be reduced at least to an extent that would give the fishermen the first opportunity at the market. The government of that day made an investigation into the whole matter, and after the fullest inquiry by the Minister of Fisheries passed an order in council whereby it was provided that the trawlers should be licensed and that the licence fee should amount to one cent a pound for non-Canadian-built trawlers, and three-quarters of a cent a pound for fish landed from Canadian trawlers, and that after April 1, 1932, only Canadian-built trawlers should operate. The tax was imposed. Trawler interests were very much against it. It was paid by some companies and refused by others. Action was brought, with the result that the order in council was held to be ultra vires, that is to say beyond the scope of the act under which it was passed. That was after the present government came into power but no action was taken to reinstate the order in council or to make it effective by legislation, although that could have been done. But the present government, following a considered policy, passed an order in council under the act whereby it was provided that two things should take place, first that trawlers should be licensed and secondly—a more or less important provision—that trawlers should be marked so that they could easily be identified in case of the destruction of fishermen's gear. But, this proviso was put in—and it is to this proviso that I refer the government—that trawlers should be licensed only to the extent that was necessary to make up for any deficiency in the supply of fish from shore fishermen. That brings me to my point. I submit the time has arrived when shore fishermen can supply every pound of fish required. Trawlers are landing vast quantities with the result that the fishermen can only dispose of about 25 per cent of normal production. If shore fishermen were given an opportunity to supply the market the price of fish to them would show a substantial increase, and they would have an opportunity to make, perhaps not an adequate living, but at least some further earnings.

My plea to this government at the present time is to take the steps which, under the order in council they can take to stop the operation of the trawler, so long at least as the shore fishermen are able to supply the demand. I say to hon. members opposite from the information I have received there is plenty of reason to believe that the shore fishermen could supply the demand now obtaining. I do not wish to labour the point, but I submit I have placed before the government something in the nature of concrete action it should take. I have placed before it something definite which can be done. My hon. friends may consider this something in the nature of a relief measure needed at the present time. Not only would it be a relief measure, but it would be a measure of justice which should be extended under the order in council of this government. If they were to take the action I have suggested they would do much toward relieving the situation in fishing communities.

I repeat my statement of last year, that fishing communities do not want assistance if they can be allowed to work out their own destiny. They would rather work and pay their own way through the natural resources at their disposal, than take a dole, charity or assistance. The present situation is that if something is not done for them their only alternative is to ask the Minister of Labour through the provincial government to do something by way of relief. I say the best relief which can be given to the fishermen of the maritime provinces is an opportunity to help themselves and to enjoy the markets there for them, provided they are given an opportunity to free themselves from the competition of trawlers which, after all, under the legislation now on the statute books, and by the order in council, are only auxiliary to the shore fishermen. Our market is supposed, primarily, to be given to those fishermen.

The general problem of unemployment has been fully covered, and at this time I urge upon the government particularly this one matter, namely the reconsideration of the trawler situation, so that there may be a wiping out of or substantial curtailment in the operation of trawlers. Such change should obtain until the fishermen are able to take up the slack in the market and are able to enjoy to the full the market which, in fact, is really theirs. There can be no question about the foresight, ability or enterprise of our fishermen. All they want is an opportunity on the market free from trawler competition which even hon. members on the government side of the house admit, should be used only for the purpose of implementing the supply in case that supply cannot be filled from other sources.

I am informed that the shore fishermen could supply the present demand, and that the price is very low. If regulations were enforced against the trawlers, no doubt the price would be substantially improved. I urge upon the government in the strongest possible manner the reconsideration of this matter.

FRUIT GROWING AND CANNING INDUSTRIES

Mr. W. A. FRASER (Northumberland): Mr. Speaker, I should like to take only a few moments of the time of the house concerning a matter affecting the fruit growers of the province of Ontario. My remarks at this time arise from a question I asked the Minister of Trade and Commerce a few days ago in connection with the export to Great Britain of a cargo of canned fruit and vegetables shipped by Canadian Canners from St. Catharines, Ontario. My question was as follows:

May I ask the Minister of Trade and Commerce whether about one-third of a cargo of canned fruit loaded at St. Catharines on a Norwegian tramp was shipped from Medina, New York, and labelled with Canadian Canners labels, to be conveyed by that steamer to the British market.

The reply of the minister on the following day is as follows:

Yesterday the hon. member for Northumberland (Mr. Fraser), under the guise of a question, made a statement as follows, that:

About one-third of a cargo of canned fruit loaded at St. Catharines on a Norwegian tramp was shipped from Medina, New York, and labelled with Canadian Canners labels, to be conveyed by that steamer to the British market.

In the first place, I wish to say that a statement of that kind, unchallenged and unrefuted, would certainly do serious damage to Canadian trade. I therefore made immediate and very careful inquiries and am able to inform the house that there is not a word of truth in the statement. The goods so canned were the product of Canadian farms, fruit and vegetables, and canned in the factories of Canadian canneries under the inspection and supervision of the inspectors of the Department of Agriculture in accordance with Canned Foods and Meats Act. In every sense this was a Canadian shipment, and I add this, that far from permitting the impression to go abroad that in any way Canada was not playing the game in its trade with the United Kingdom, the fact is that Canada has every reason to be proud both of the magnitude of the shipment and of its contents.

Mr. Speaker, I wish to make this statement: I am very deeply interested not only in the fruit growing industry, but in the canning industry of Ontario, and I would be the last member in the house who would wish in any way to damage their interests. This time however I am not going to ask a question, but I am going to make a statement, or several statements, which I am prepared to substantiate.

Before proceeding I should like to commend and congratulate the representatives of the fruit branch in Canada, and in the old country, for the splendid work they have done in the interests of fruit growers and canners. Let me go farther, and congratulate the government, inasmuch as I believe that some of the clauses in the agreement with Great Britain which pertain to apples will prove, and are proving, beneficial to the apple growers and the canning industry of the province of Ontario. Nevertheless, Mr. Speaker, I have this objection to make concerning the remarks of the Minister of Trade and Commerce in reply to my question. I still maintain I asked a question; I placed before the minister a question asking for information, and based upon the fact that complaints had been lodged with representatives of certain departments in the city of Ottawa that the Canadian Canners are importing, and have been importing pears and other fruits from New York state, paying the duty of two cents per pound, canning them in Canada—as the minister has truly said—under the inspection of the Department of Agriculture, yet, nevertheless canning American or New York state pears and peaches in Canadian canneries, taking advantage of the rebate of 99 per cent and the duty of two cents per pound, and shipping them to the old country market as Canadian products. Now, Mr. Speaker, I make that statement because I believe it is in the interests of the fruit growers, that every hon. member should realize that this practice is being carried on, that the canners of this country are taking advantage of the low price this year of pears in New York state, $10 a ton to be exact, paying the 2 cents a pound duty, securing the rebate, and thus hammering down the price to the fruit growers in western Ontario. That is the point that was behind my question addressed to the Minister of Trade and Commerce. I submit that in view of the facts that I am giving to the house—and I can prove what I say—the minister should have considered my question as that of one seeking information, and, in view of the publicity the matter has had through the press of Ontario, he should have been a little more careful about insinuating a lack of interest in the fruit grower.

Now, Mr. Speaker, just one word more. In the interests of the fruit growers and pear producers of western Ontario, regardless of the statements reported in the press as having been made by officials of the Ontario and federal governments and of Canadian canners in connection with this shipment on the Norwegian tramp that I referred to, may I suggest that this government take steps to prevent the fruit growers of Ontario being subject by reason of the drawback to the unfair competition of the extremely low prices

existing through over-production in New York state and exporting fruit grown there as a Canadian product. That I submit for the consideration of the hon. Minister of Trade and Commerce and his colleagues.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I feel it is necessary for me to reply to the further statement made by the hon. member. The hon. member has stated clearly today that he charges that Canadian Canners have been importing foreign pears and shipping them to the United Kingdom, to which hon. members sitting around him cried "shame."

Mr. CHAPLIN: Always done for years, under the Liberal government.

Mr. STEVENS: His further statement is that Canadian Canners have used this condition for the hammering down of prices to the Ontario growers.

Mr. FRASER (Northumberland): The hon. gentleman quibbled about it the other day.

Mr. CHAPLIN: The statement is untrue.

Mr. STEVENS: I did not quibble. The only reason I referred to this the other day and the only reason I refer to it again is this, that whether the hon. gentleman realizes it or not, the language in which he couched his alleged question and the language which he used today is in my opinion calculated to damage Canadian trade with Great Britain, and I think it necessary and desirable that it should be cleared up very definitely. I made careful inquiries into this matter, as I stated, and I have made further inquiries since, and I am advised—and later I will have exact figures to support this—that a comparatively small proportion of the shipment made from Hamilton the other day was composed of canned goods the contents of which were foreign to Canada.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Wait a moment. It has been the practice of the canners in western Ontario and other parts, but chiefly western Ontario, for many years, after the season is over for canning Canadian fruit, to import large quantities of grapefruit, pineapples, and other fruits for canning purposes, thus keeping the canning factories going. No one can have any criticism of that. In addition, it has been the practice of canners in western Ontario to import considerable quantities of pears for canning in Canada, to which no objection can be taken. There is nothing sinister about it, nothing wrong about it, it is a perfectly legitimate trade. But it happens that a very small quantity, I am told, if any, found its way into this particular large export shipment to which reference has been made.

An hon. MEMBER: That is at least some admission.

Mr. STEVENS: Another point the hon. gentleman has raised is the question of hammering down prices. I have been supplied with information regarding prices paid, as follows:

> We paid Canadian fruit growers this year $40 a ton for Bartlett pears, $40 a ton for peaches, and about $12 a ton for apples. In the western states, from which our chief competition in the British and foreign markets comes, the growers received only $10 a ton for No. 1 pears, $6 a ton for No. 2 pears and $2.50 a ton for apples. New York state prices for Bartlett pears were $20 a ton and $10 a ton for Keefer pears.

Now this will indicate the competition that Canadian canners are confronted with in regard to the packing of goods for the export market. As I have already stated, the company assures me very definitely that this shipment contained but a very small proportion of this fruit.

Mr. FRASER (Northumberland): What proportion?

Mr. STEVENS: In addition to that the practice in Canada has been in some cases to import considerable quantities of apples for the purpose of making pectin, which is used in Canada by jam manufacturers and those who put up various preserved fruits, to be added in the packing of these fruits and the manufacture of these jams as a jellying ingredient. It is also exported. This is a fruit ingredient which is quite legitimate and proper and good trade, and there is nothing about it that is in any sense to be criticized. I think, sir, that it is only fair to this company, particularly in view of the cries of hon. gentlemen a moment ago of "shame," when the hon. member was making his statement, it is only fair to a Canadian company that is trying to do business with countries outside of Canada, whether in the empire or out of it, that we should give them a bit of commendation for their efforts in promoting this foreign trade. I deplore more than I can say any suggestions from influential members on the floor of this house regarding the practices followed by this and other Canadian companies.

Mr. FRASER (Northumberland): Will the hon. minister permit a question?

Mr. STEVENS: Surely.

Mr. FRASER (Northumberland): For my own information I would like to be quite clear on this point: Is the house to understand that canners may bring in, under the conditions that I have mentioned a few minutes ago, American or foreign pears and ship them under the economic trade agreements and take advantage of the British preference, provided they are canned in this country?

Mr. STEVENS: It is as clear as day under the law. I will explain as well as I can, subject to not having precise percentages before me and therefore being unable to speak with entire accuracy. Goods manufactured in Canada have access to the British market under the preference if they carry the percentage of Canadian content prescribed by the British regulations. Just what that percentage is in regard to canned fruits I cannot at the moment tell my hon. friend, but I can secure the information. I suggest this however, speaking merely from my own opinion, that it is altogether probable that the value of, say, raw pears, we will take them as an illustration, as compared with the value of the completed article, including the cans, the packing, the shipping and so on, would be in such proportion as to meet that requirement. I expect that it would, and if it does—I will put the "if" in there—is it not legitimate that they should be so shipped?

Mr. R. W. GRAY (West Lambton): Mr. Speaker, on this important matter I do not propose to allow the Minister of Trade and Commerce (Mr. Stevens) again to think he has given this house the last word. On November 23 the minister gave the house what he intended to be the last word with respect to this matter, which was brought up by my hon. friend from Northumberland (Mr. Fraser) who was not in the house at the time and who, at the earliest possible moment, brought to the attention of the house the true facts. Let me read again the reply as given by the minister on Wednesday of this week:

Yesterday the hon. member for Northumberland (Mr. Fraser), under the guise of a question, made a statement as follows. . . .

Any hon. member reading the question of the hon. member for Northumberland will realize that it has not even the suggestion of being a statement; it was a straight question asked of the minister by a member of this house. The minister went on:

In the first place, I wish to say that a statement of that kind, unchallenged and unrefuted, would certainly do serious damage to Canadian trade. I therefore made immediate and very careful inquiries . . .

The minister made immediate and careful inquiries and gave the house what he found as a result.

. . . and am able to inform the house that there is not a word of truth in the statement.

The Minister of Trade and Commerce, representing the trade of Canada, rises in his place and tells the hon. member for Northumberland that he was not telling the truth when he said that a portion of the goods were brought in from New York state, canned here and sent out under the guise of Canadian canned products. Now the minister has turned around; he says that some part of the shipment was brought in from New York state. He does not give the proportion; he leaves the impression that it was a very small part. Let me continue:

The goods so canned were the product of Canadian farms . . .

May I ask the minister if that was correct?

Mr. STEVENS: Absolutely.

Mr. GRAY: They were the product of New York state farms, brought in here and canned and sent to the United Kingdom under the guise of Canadian fruit. The British have already stated that they will not allow our wheat to proceed through United States ports except under a through label, and I ask the minister if he expects the British to say we are playing the game when we bring in New York pears, can them in Canadian factories and ship them out as the product of Canadian farms.

Mr. STEVENS: Talking nonsense.

Mr. GRAY: Talking nonsense? The minister was talking nonsense not only today but on Wednesday as well, when he said there was not a word of truth in the statement made by the hon. member for Northumberland. Let me tell my hon. friend that he has not brought much credit on the Department of Trade and Commerce, over which he presides.

At one o'clock the house took recess.

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The house resumed at three o'clock.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, when the house rose at one o'clock we were discussing a matter covered by a question asked by the hon. member for Northumberland (Mr. Fraser), a few days ago. I must say that we have listened to the tears which have rolled and fallen from the eyes of certain hon. members regarding the fruit business—

Mr. NEILL: How do you listen to tears?

Mr. CHAPLIN: You could almost hear them, they fell in a stream. These hon. gentlemen become interested in fruit only when they are in opposition. I should like to refer for a moment to the actions taken by hon. members opposite in connection with rebates. From their remarks one would think that rebates came into effect only recently whereas this legislation has been on the statute books for a considerable time. Why did they not object to it before? I have sat on both sides of the house, I have objected to certain rebates, but not one hon. member opposite would support me. The system is wrong, but hon. members opposite did not attempt to correct it.

The question asked by the hon. member for Northumberland was as follows:

May I ask the Minister of Trade and Commerce whether about one-third of a cargo of canned fruit loaded at St. Catharines on a Norwegian tramp was shipped from Medina, New York, and labelled with Canadian Canners labels, to be conveyed by that steamer to the British market.

What does the house think of a question like that? That is simply making a statement; the hon. gentleman either knew or did not know that that stuff came from New York. In fact, it never came from Medina.

Mr. BENNETT: He wanted to hurt the country.

Mr. CHAPLIN: It was done with the intention of harming the industry.

The hon. member for West Lambton (Mr. Gray), seems to have become suddenly sympathetic towards the farmers. He referred to loss which must accrue to the farmer because, forsooth, pears and peaches were allowed to come in.

Mr. GRAY: Will the hon. member read article 1 of the agreement between Great Britain and Canada?

Mr. CHAPLIN: I do not intend to read it just now.

Mr. GRAY: Will the hon. member read it before he finishes?

Mr. CHAPLIN: No more than I will read the hon. member's speech.

Mr. GRAY: I shall not read yours.

Mr. CHAPLIN: Tears came into the hon. gentleman's eyes because of the fruit farmers.

An hon. MEMBER: Crocodile tears.

Mr. CHAPLIN: Crocodile tears, yes. I should like to ask the hon. member how many Bartlett pears or peaches are grown in his riding?

[Mr. Neill.]

Mr. GRAY: How many acres of land does the hon. member own in New York state?

Mr. CHAPLIN: Not one. I answer the hon. member but he does not answer me. I ask the hon. member for Northumberland: How many Bartlett pears and peaches are grown in your riding? The hon. member for West Lambton was a member of this house in previous years when this condition was a good deal worse than it is today.

Mr. GRAY: Read the agreement; it states, "grown, produced or manufactured in Canada."

Mr. CHAPLIN: "Grown, produced or manufactured in Canada." Does not this come under the heading of manufactured in Canada? While the hon. member is attempting to divert me from this subject, I should like to ask him: If these rebates were not allowed, how could the country export anything in the way of rubber, silk or cotton goods? It would be impossible to export if such goods were considered as coming from the countries where they were originally produced. Hon. members tried to convince the house that these goods had been canned in the United States and that all that was to be done in Canada was the labelling. If that is not the inference to be drawn from the question asked, I will eat the question.

Mr. GRAY: Hypocrisy.

Mr. CHAPLIN: Let me tell the hon. member something about hypocrisy in connection with his own actions. He knows that under the Liberal regime the department which had charge of customs permitted the duty paid on automobile parts coming into the country to be considered as part of the Canadian content.

Mr. FRASER (Northumberland): That has nothing to do with these empire trade agreements.

Mr. CHAPLIN: Who said anything about rebates now? Under the British arrangement any goods which can qualify as being of fifty, and sometimes sixty per cent Canadian content, are considered as products of this country. Many goods come in from the old country which are not more than fifty per cent English, and yet they are allowed to come in under the agreement.

Fruit is allowed to come into Canada after paying a duty and the Canadian Canners are allowed under the law to obtain a rebate when such goods are exported. This is exactly the same system as applies to other manufacturers; no more consideration is given

to the fruit canners than is given to the manufacturers of other products. In spite of these facts, hon. members have tried to make it appear as though the farmers of this country were being injured.

Mr. GRAY: May I ask the hon. member a question?

Mr. CHAPLIN: Sit down a minute; the hon. member had his say and he will not answer any questions asked of him.

Mr. SPEAKER: The hon. member for West Lambton was permitted to make his speech without interruption from any part of the house.

Mr. GRAY: I merely asked the hon. member if I could ask him a question. He has refused and I am sitting down.

The SPEAKER: It is out of order to interrupt a speaker in this way. When a member speaking is asked whether or not he will permit a question, he signifies his willingness to be interrupted by taking his seat; when he does not do so he indicates that he does not wish to be interrupted.

Mr. CHAPLIN: The facts are that this fruit was packed in Canada, the cans were made in Canada and certain work was done in Canada. In some instances fruit was allowed to come in.

Mr. GRAY: Trucked in.

Mr. CHAPLIN: No, not trucked in either. The hon. member is very free with interruptions. He is talking about something of which he knows nothing, and usually people talk the loudest when they know the least.

Mr. LAPOINTE: That is hardly in order either.

Mr. CHAPLIN: The fruit business is of a seasonal nature. Take peaches, for example. This fruit is on the market for only five or six weeks, and the same thing applies to Bartlett pears. What did the present government do?

Mr. GRAY: What did the Minister of Trade and Commerce do?

Mr. CHAPLIN: Will the hon. member try to be quiet just for once? This is the same old calf story.

The fruit business is seasonal. The fruit is available only in its ripened state; it cannot be kept even in cold storage for more than a week or two. When the season is over, no more fruit is available. In order to protect the fruit farmers of this country during the season, this government has put an embargo upon fruit coming in from the United States. The previous government promised to do this, but they did not. When the former Minister of Finance, Mr. Dunning, introduced his budget he told the house that it was impossible to put a seasonal tariff upon fruit. Six days afterwards he did introduce a seasonal tariff but it proved to be unworkable. This government has a tariff which is workable. Fruit is allowed to enter the country only after our own fruit has gone off the market; the embargo is not lifted until the ripened fruit season is over. The Canadian canners pay twice as much for Canadian fruit as they would have to pay for American fruit, but they are not permitted to buy American fruit while our own is on the market. That is something the opposition never did for the farmer and never would do. Heaven knows we asked them often enough to do it.

I have no interest in this matter; I am not interested in any canning company, but I hate to see men get up in this house and talk until the cows come home upon a subject about which they know nothing. That has happened on more than one occasion. I come from a county where there are over twenty-five canning factories; the fruit industry of Lincoln county is as large as if not larger than that in any other county in Canada. I know something of conditions there, and something of conditions in the trade, and when one sees members get up and talk in this fashion it is absolutely sickening.

Hon. JAMES MALCOLM (North Bruce): Mr. Speaker, the hon. member for Lincoln (Mr. Chaplin) has certainly made a few facts abundantly clear. He spoke quite correctly with respect to the fact that Canada's export trade in manufactured products was not confined entirely to the production and further processing of Canadian goods and that much of our export trade was built up on raw materials which came from other parts of the empire and other parts of the world. He mentioned the rubber industry. It is true we enjoy within the British Empire considerable export trade in rubber products, the cotton of course, coming from either Egypt or the United States and the rubber from Malaysia. We enjoy a considerable market in other countries for canned fruits and vegetables and in the past, in order to have continuity of operation of our canneries, as the hon. member for Lincoln has said, we have permitted the importation of fruits and vegetables for canning in Canadian factories. I do not think anyone in the house disagrees in general with the principle of trying to have continuity of work in an industry where the Canadian product is seasonal, nor

do I think anyone objects particularly to the importation of fruits which are not grown in Canada, such as grapefruit, oranges and fruits of that type. This at least gives the Canadian workman an occupation during a season of the year when the Canadian product is not available for canning. I think, however, the hon. member for Lincoln was wrong in regard to his statement on embargoes. I do not think there has ever been an embargo placed on fruit for canning purposes. I may be mistaken.

Mr. CHAPLIN: The hon. member is mistaken. I know there has been.

Mr. MALCOLM: Well, I was of that opinion, and I stand corrected if the hon. member is quite sure of the fact.

Mr. CHAPLIN: I know it.

Mr. MALCOLM: But there is another point to which I should like to make slight reference. We have made some agreements with the British Empire and it has been heralded, I think rather broadly across this continent, that by these agreements the Canadian producers are to benefit. The Canadian producers will benefit in many instances; they certainly will benefit on raw fruits such as apples which have a preference in the British market. I have before me an article which appeared in the Financial Post on November 18 and the heading tells the story just about as clearly as the hon. member for Lincoln has told it. The article is headed:

Canadian canned fruits taken by British markets. Ocean steamship at St. Catharines takes entire cargo of pears and peaches canned by Canadian canners.

That is a very careful statement. The house will observe it does not say that the steamship takes an entire cargo of Canadian pears and peaches canned by Canadian canners. In the address which was made and to which this article was referring, the same being made by one of the officers of Canadian Canners, I note the speaker has been careful to make himself clear that the fruit was canned in Canada and not that it was of Canadian origin. I wish to make only one observation and it is this, that so far as the agreements are concerned, the statement of the hon. member for Lincoln clears up the point abundantly. The agreements do not give to Canadian producers of fruit for canning purposes any preference whatever in the British market. My hon. friend has made that quite clear. Certainly the agreement gives us a preference in the British market for fruit canned in Canada.

]Mr. Malcolm.]

Mr. BENNETT: I thought we had finished these agreements.

Mr. MALCOLM: I think my right hon. friend will let me proceed when I am agreeing with the hon. member for Lincoln.

Mr. BENNETT: I was not in the chamber at the time that the hon. member for Lincoln was speaking, but these matters having been voted upon and disposed of, having been sent to the Senate and passed by it, are we now going to waste the time of the house at the rate of $15,000 a day on this?

Mr. MACKENZIE (Vancouver): I rise to a point of order.

Mr. MALCOLM: I shall not delay the house a minute, because my speech is almost finished.

Mr. DEPUTY SPEAKER: The hon. member was rising to a point of order.

Mr. MACKENZIE (Vancouver): The hon. member for Northumberland (Mr. Fraser) this afternoon brought up a grievance as any hon. member has a right to do on the motion to go into supply. Any hon. member has the right to discuss any grievance on the motion to go into supply.

Mr. MALCOLM: In deference to the Prime Minister's suggestion, which I think is quite reasonable, I shall not delay the house. I think we are all out of order, but as I am answering the hon. member for Lincoln, I think my right hon. friend will allow me a minute.

Mr. CHAPLIN: I was only answering somebody else.

Mr. MALCOLM: The speech of the hon. member for Lincoln is quite in accord with the facts in this instance, and it clears up any doubt in the mind of the house and should clear up any doubt in the minds of the people that any preference we are receiving in the British market for canned fruits and vegetables will be of benefit to Canadian labour and Canadian canners but will be of no direct benefit to Canadian fruit growers.

Mr. DEPUTY SPEAKER: If the house will permit me, I should like to decide the point of order.

Mr. MACKENZIE (Vancouver): It was withdrawn.

Mr. DEPUTY SPEAKER: I rule that the discussion which has taken place is out of order.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. D. EULER (North Waterloo): In the hope that the fruit industry will survive the little storm which has raged so violently in the house for a short time, I desire to discuss in a more quiet atmosphere a question which is of great importance to the country, namely, that of unemployment. I do so now with some embarrassment because I hesitate to prolong the proceedings and delay hon. members in returning to their homes.

In a consideration of the question of unemployment there are two factors which are outstanding in the minds of all members of the house: first, the duty of parliament and of the people of Canada to care for those hundreds of thousands of people who are not any longer able to care for themselves; and second, and this is infinitely more difficult, the necessity of finding the causes and devising a remedy for the position in which we find ourselves.

The Minister of Labour (Mr. Gordon) a few days ago gave to the house the information that there are now dependents on the bounty of the people of Canada no fewer than 850,000 people. That in itself constitutes to my mind a tragedy. Although I was aware, like other hon. members of the house, that there was a great deal of distress in the country, I was shocked at the magnitude of those figures. In view of the fact that in Canada there is plenty and the means of producing a great deal more, and that the same condition obtains in almost every civilized country of the world, it is a reflection not only upon civilization but upon Christianity, if you will, that such a condition should have arisen and should have continued to this day, with no real relief in prospect.

The Prime Minister (Mr. Bennett) some days ago said that we were moving toward a new economic order of things. I wish I knew exactly what was in his mind when he used those words. I believe he is right, but I wonder if he could explain to the house just what the nature of that movement is, and whether it is controlled, whether it is controllable, or whether we are merely drifting in a direction the end of which we do not know and cannot foresee.

The question of unemployment may fairly be divided into two main phases: First, the question of relief itself, which has nothing to do with the cure of unemployment; and secondly, the cure of the condition in which we now find ourselves.

So far as relief is concerned, every member of the house will join with the Minister of Labour when he says that there shall not be any man, woman or child in this country who will not be supplied with food, clothing and shelter. That may necessitate the taking from those who have and giving to those who have not. So far the debate on unemployment has confined itself mainly to methods of giving relief, which has nothing whatever to do with the cure of unemployment itself. Last year and the year before the method that was adopted by the government, in accordance with the policy of the Prime Minister that he was not going to hand out doles but proposed to give work to all who needed it, was this: Federally, to proceed with the construction of public works; provincially, helping some of the provinces, for example, in connection with the construction of a national highway, which project I imagine was not entirely as successful as it might have been; and municipally, through assistance received from the province and from the dominion a great deal of work was anticipated, that is, construction which might have been postponed for some years but was proceeded with then in order to provide employment. The difficulty was that the municipalities were called upon to spend such large sums of money that they have now arrived at a position where they can no longer pursue that course, and so, according to the Prime Minister, we have a request from the municipalities through the provinces, and from the provinces themselves that this year the relief shall take the form of direct assistance. I have no great fault to find with that, although of course I might say to the Prime Minister that he has been obliged to change his course. I might say to the Prime Minister in that regard, and to the Minister of Trade and Commerce (Mr. Stevens) in connection with the debate that we had, that it is never safe for any man, least of all a public man, to make statements or promises that extend too far into the future, because conditions may arise necessitating a change of course of action.

We have now entered upon a new policy, a policy which I believe is hardly justified, and that is the policy, and I say it with some hesitancy, of making cash loans and cash advances to private corporations. My hon. friends will all understand to what I allude. I have no objection to means being provided so that men may be given employment, but I would draw to the attention of the government the fact that they are establishing a rather dangerous precedent. Generally I am not much given to considering precedents, even though my lawyer friends may be; but I think the government is placing itself in

rather an unenviable position when it advances help to one private corporation, which after all is conducted for profit, and which precedent will undoubtedly subject the government to demands, perhaps just as fair, from many hundreds of other sources which the government, I imagine, cannot concede.

I shall not say very much on the question of direct relief because it is largely a matter of efficient administration, to be handled on a non-partisan basis, with common sense and humanitarianism, and at that I am willing to leave it. But the question of direct relief has nothing whatever to do with curing the causes of unemployment. I propose to deal with the question, if I might say so, in the larger sense.

There are those who now say—we on this side have always said it—that unemployment and the condition in which we now find ourselves is largely attributable to world causes and that it obtains throughout the civilized world. That is true. But it does not follow that as a nation we cannot take certain steps which will at least alleviate or ameliorate the present condition. This I think we may as well lay down as a basic requirement before the world can return to prosperity: it must escape from the tremendous debt resulting from the war and in which perhaps our friends in the United States constitute the chief and deciding factor. These debts must be reduced or cancelled, and more than that the world must get away from the spirit of war, that spirit which today, despite the League of Nations which was organized for the prevention of war, in Europe alone prompts the spending in preparation for another war of no less than about $5,000,000,000.

There is another condition of which we must rid ourselves. I refer to that feeling of patriotism, or that false doctrine—yes, I will call it a false doctrine—which leads nations to surround themselves with unscalable tariff walls. That is done in many instances with the idea of patriotism, which expresses itself in that way. Not only that, but in many countries patriotism seems to imply not only a love of one's own country but a hatred of or antagonism towards another. I said a minute ago that these are world conditions which must be dealt with. When one looks upon Europe today, considers the temper of European countries and of countries in South America which are on the verge of war, one is at once aware of the difficulties with which the world has to cope before improved conditions may be brought about.

[Mr. Euler.]

I had intended to touch upon the problem from a Canadian standpoint, and what can be done by Canada itself to relieve ourselves from the excessive condition of unemployment around us. To my hon. friends in the corner of the house may I say that for about three years, since the beginning of the depression, I have listened to them and learned to regard them with a good deal of admiration. Sometimes I have envied them their attitude of certainty. Lately, when I have listened as they have given to the house the benefit of their advice as to what could be done to relieve us from the conditions under which we are suffering—and I am not saying this in any critical sense—I have regarded them with a feeling of inferiority, for I did not feel so sure as they do as to the remedy. However, when I learned two or three weeks ago that a greater man, perhaps, than most of us, Sir Montagu Norman, Governor of the Bank of England, had, figuratively speaking, thrown up his hands and admitted that he did not know what to do, I felt that my self respect had been more or less restored. That does not mean after all that we should do likewise, but it does mean that he confessed his ignorance and humility just as I am doing now, by inference.

I feel, after all, that we might discuss in a more or less hopeful vein some of the things we could do. There is one matter which has been mentioned frequently by hon. members in the corner of the house and in connection with which I must again admit a lack of knowledge and, if you like, an ignorance—I am referring to the matter of currency reform. All I should like to say in that connection is that when we have a condition, under the system as it now obtains, whereby a man who three years ago created a certain debt now has to pay it three times over, having regard to the value he receives for his commodities, then certainly something must be wrong. What the remedy is I do not know. Our friends in the corner of the house recommend inflation. Sometimes I am not quite sure just what inflation means, and I imagine that many hon. members in the house, if they speak their minds, would admit a similar lack of knowledge.

Perhaps the Prime Minister has now come to the conclusion that a certain degree of inflation may be advisable. With the issue of $35,000,000 more of currency I believe inflation has been started at least in some degree. Further, the other day the Prime Minister admitted something I believe he had never admitted before, namely that we are no longer on the gold standard.

Mr. RHODES: Oh yes, he had.

Mr. EULER: If I may say so, my mind is quite open with regard to the matter and, if the Prime Minister and his government should see fit to enter upon a reasonably controlled degree of inflation, I am inclined to believe that I should support them.

Another matter which has been brought to the attention of the house by the labour members is that concerning shorter hours, a condition closely linked up with the introduction of labour saving machinery. Although we term such machinery "labour saving machinery," perhaps it should not be so called. I may be wrong in that respect, but I fear that often such machines have not worked out entirely to the benefit of those operating them. Certainly in every constituency which is industrially organized, such as my own city of Kitchener, the introduction of labour saving machinery has literally replaced thousands of men. I am not opposed to the introduction or the development of machinery. I do not believe we should discontinue its use. I do not believe it is good for a man to labour from early morning until late at night, ten hours, nine hours or even eight hours a day, if machinery can be made to do the work the man formerly did. I believe it would now be possible, if men were put to work with the machinery at our disposal, and through the medium of machines which will be invented in the future, to produce by four or five hours of labour each day sufficient to meet the requirements of all the people. Under those conditions it would be right for the working man to enjoy the leisure which undoubtedly would be his, a leisure which could be devoted to recreation or amusement, or for the benefit of body and soul, if you wish to put it that way. I believe in that. I have no doubt that one of the remedies and one of the results which must come from the introduction of machinery will be shorter hours of labour. I realize that the introduction of machinery and shorter hours presents many problems, some perhaps international, but at this time I shall not dwell upon them.

Then, there is another remedy which the present government has tried with, I suggest, no satisfactory results; I refer to extremely high tariffs. With that point I shall not detain the house long. My position in relation to tariffs is well known. I am not in favour of extremely high tariffs, and I believe even now members of the government will admit that as a factor in the cure of unemployment the introduction of extremely high tariffs has not been a success. It has not been successful in creating greater purchasing power within the country. Further, since higher tariffs have been in force our foreign trade has declined from a position of fifth in world trade to that of seventh.

Mr. McLURE: Would the hon. member be satisfied if the farmers of Canada worked only four or five hours a day?

Mr. EULER: I should be very happy if they could operate their farms in that way. Perhaps it can be worked out. I should not attempt to do so, however, because I am not an expert. On the other hand, if they were able to do that I should be pleased, because I do not play favourites.

I was going to suggest that it might be possible to do something by way of controlling production. By that I do not imply that there is overproduction. I believe there will never be overproduction so long as the wants of every individual are not satisfied. I was directing my attention to another phase of the matter, and thinking particularly of the organization of industries for which there is no necessity. I refer particularly to over-expansion of industry. The example which occurs to my mind is that of the manufacture of paper. For many years there was sufficient equipment in Canada for all the business in this commodity we could get, and yet there were people, men who were not "paper people," but promoters, who went into the field, organized new companies and built new mills which since have gone into the hands of the receivers, and the investors' money has been lost. The suggestion I was going to make to my hon. friend the Minister of Trade and Commerce, and it is more or less casual, is whether it would not be in the interests of the Canadian people that the Department of Trade and Commerce should have a branch which would devote itself to the acquisition of knowledge and information with regard to all lines of business, and particularly manufacture, in Canada; so that the investing public might have some means of ascertaining whether the business in which they are asked to invest their money has any chance for success. It might be possible to go even further, to work out a scheme with the provinces whereby if upon investigation it were shown that there really is not room for the investment of further capital in any particular line of business, a charter could be refused.

Then we have the remedy—or rather not a cure but a palliative—of unemployment

insurance. I favour unemployment insurance, as I think does every member. The Prime Minister has declared himself in favour of such a measure. He stated that it was delayed last year until compilation could be made from the census reports. I think that time has now arrived, and I suggest to him that the government concern itself with the working out of an adequate system of unemployment insurance.

I wish to make another suggestion, which is not original, but of which I read a few days ago in the Saturday Evening Post. It might be called the rationing of work; to ration work just as food and fuel were rationed during the war. I will read a short extract and leave it as a suggestion to the government for inquiry. The article is headed:

Job Spreading by Job Sharing

It goes on to say:

Now that the share-the-work movement is in operation from coast to coast and, has set up a regional organization in each federal reserve district, it cannot be premature to direct attention to the accomplishment it already has to its credit and to point out its possibilities as an engine for preventing the further spread of unemployment.

The basic idea of tiding the unemployed over present hardships by employing more hands for fewer hours a day or fewer days a week is simplicity itself; but its application to scores of differing trades and industries, each of which has requirements inseparable from its nature, is anything but simple.

The specifications for any sound plan for hastening business recovery demand that it be to the common advantage of three overlapping but still different groups,—the employers, the employed, and the general public. The share-the-work movement appears to meet this three-fold requirement, and its sponsors seem fully warranted in declaring that it helps the employer because work spreading hastens business recovery; that it is to the advantage of the worker because job sharing makes for job security; that the public benefits because spreading employment means spreading spending power and the feeling of confidence and security that follow in their train.

I appreciate that that is not a cure, but it might be of some assistance.

Now I am going to venture for a moment upon a subject my attitude concerning which may be misinterpreted. If so, so much the worse for me. It rests upon what has become more or less a platitude, that while the world has solved the problem of production, and can produce sufficient for every man, woman and child, especially in Canada, it has not solved the problem of distribution; in other words, that which is produced is concentrated more or less in a few hands. I discussed this question a few days ago with one of my friends, and when I stated my thought with regard to it he said: "That is the Karl Marx doctrine." Well, I must admit, perhaps to my discredit, that I have never read the works of Karl Marx. But this theorem or principle does appeal to me; that wealth, generally speaking, is produced almost entirely by the application of labour to natural resources, whether it be on the farm, in the factory, the mine, the stream or the forest. I make due allowance for management, transportation and so on—

Mr. RHODES: And capital.

Mr. EULER: Yes, I will include capital in a reasonable way. If then it is found that there are great accumulations of wealth in a few hands, and poverty and distress obtain among the workers who have produced it, surely it is fair to assume that the spread between the man who has and the man who has produced is greater than it should be; in other words that capital is receiving too large a share of that which is produced.

Mr. LAPOINTE: Take care of the iron heel!

Mr. EULER: We are faced with the problem of better distribution. I am inclined to think that hardly a member in this house does not believe in the accuracy and fairness of what I have said. But how are we to obtain better distribution? That of course is a difficult question. There are those who say—I think we have some in the corner—that we ought to scrap the present capitalistic system. I am not here to advocate that. Others say we should modify the system we now have, and I believe that at least for the present we ought to try that out. That we must do something I am convinced. Whether it shall take the form of taxation of profits, of profit sharing in industry, which already obtains in some industries managed by far-seeing and humanitarian leaders, I do not know. I read some time ago—perhaps my hon. friends in the corner will be interested in this from the Labour press, although they probably read it long before I did—an editorial in a Labour magazine. It said that the working people were already convinced that socialism is coming, in fact were so fully convinced of it that they were sitting more or less with folded hands waiting for it to come. The article went on to say that the editor himself was not in favour of the application of socialism now, because people were not ready for it. He hoped that the capitalistic system, which he seemed to think was more or less staggering, ought to be restored for the time being, and in the interval between the present and

the coming of socialism the Labour people and the public generally should prepare themselves for the duty of making the system operative when the proper time arrived. Now, I am not a socialist, but the mere fact that a man believes in certain principles in which socialists also believe does not necessarily make him a socialist. Here again my self-respect is restored when I hear men like Sir Josiah Stamp state in a speech which he made in the parliamentary restaurant that perhaps the remedy for the ills from which we were suffering lies somewhere between our present system and that which they have today in Russia. I should hardly have dared to go as far as that, but if I did I would be in pretty good company; I could cite other prominent economists also. The word "socialism" has no particular terrors for me, although, as I say, one's attitude is apt to be misinterpreted. I read the other day, or someone was telling me, about a book which in the time of the Czar someone attempted to introduce into Russia. The title of the book, I think, was The Dynamics of Sociology, and the officers at the border refused to let the book enter because they thought the word "dynamics" indicated that it had something to do with dynamite and the blowing up of the present system, and "sociology" indicated that it was to teach socialism. I cite that as showing that we have a fear of something just because of its name when as a matter of fact we have the thing already.

Mr. LAPOINTE: A fear of words.

Mr. EULER: We allow ourselves to be handicapped by the fear of words. We have in Canada a system that is socialistic in a certain sense. The municipality from which I come owns the waterworks, the electric light plant, the gas plant, the street railway—

Mr. LAPOINTE: And liquor?

Mr. EULER: No, not in the municipality I come from. I can see the direction in which my hon. friend's mind is running. But we have all these things, and I will say to my hon. friends in this house in whose localities the principle of public ownership has not made the same progress as it has in mine, which is of course, the most progressive community in Canada, that it has been extremely successful. These services have been given the people of that community at a low cost and in just as efficient a manner as they could have been given by any private business. Provincially we have the great hydro system which in the past has been a great boon to the people of Ontario, and which I hope will carry on in the same way in future. We also own a railway running from the city of Toronto to James bay. Let me say this also, though I am afraid it will not meet with the approval of some hon. members of this house: The success of the hydro in Ontario would not have been possible but for the fact that it is a monopoly. I have no patience with those newspapers and individuals who constantly say that we want no monopoly, either public or private; that all monopolies are bad. I have said before in this chamber that a public monopoly loses the sinister features of a private monopoly, because it is conducted on an entirely different basis and for an entirely different purpose. The purpose of private ownership, of course, is profit, while the purpose of public ownership is service at as low a cost as possible. The inducement for the abuse of privileges in a public monopoly is not present as it is in a private monopoly. We also have in Ontario, as well as in every other province in the dominion, the public control of the traffic in liquor, and I am inclined to believe that this works a great deal better than was the case when it was in private hands. In the dominion we have had the post office for many years; that is a socialistic activity, if you like to call it that, and we have the Canadian National Railways.

Mr. EDWARDS (Waterloo): That is a tough one.

Mr. EULER: I suppose hon. gentlemen will say, as my colleague from South Waterloo (Mr. Edwards) says, that this is a tough one. I do not intend to say much about the Canadian National Railways, though I am very much interested in them. If the national railways are in difficulties they are in just about the same condition as their great private competitor, and I think those difficulties are largely the result of the failure of private ownership. In my opinion—and here I know I am treading dangerous ground—if the national railways had the same monopoly of the railway business that the hydro has in that business in Ontario, we would have a successful system today.

Mr. EDWARDS (Waterloo): Under the same kind of management, perhaps.

Mr. EULER: Under a good government it would have that management. Some eight years ago, Mr. Speaker, I had the temerity to make the suggestion in this house that it would be worth while for the government of Canada—and it was a Liberal government at that time—to make a canvass of the whole railway situation, with a possible view of the

amalgamation of the two great roads. I made the statement then, and I had it on very good authority, that we could save at least $75,000,000 yearly by the cutting out of wasteful competition. Not long ago, before the Royal Commisison on Railways and Transportation, Mr. Beatty, president of the Canadian Pacific Railway Company, stated that a saving of $65,000,000 a year could be effected by the amalgamation of the two roads, and if that had been done at that time, in the ten years that have elapsed we could have saved possibly three-quarters of a billion dollars, or about one-third of the national debt.

I had not intended to go into this matter very deeply, Mr. Speaker, but as I said at the outset of my remarks, it is never very safe to make too definite statements, especially if you are in public life, or too definite promises as to what you may do in the future, and when I say that I am not referring to the promises made by the Prime Minister in regard to unemployment. I am referring to the slogan, if you like to call it that, which the Prime Minister nailed to the mast during his campaign. In connection with the railways he said, "Amalgamation never; competition ever." I believe that before very long the Prime Minister will have to reverse that slogan, because if we continue as we are going at present in connection with the two railways, with the consequent waste, this country will not be able to bear the burden.

I am out of order, perhaps, but I should like to make just a reference to the recommendations made by the royal commission. They advocate compulsory cooperation. This may be the only thing that can be done, but I will say that I have no great faith in compulsory cooperation; the two things just do not go together. I say further that in the future we will find the old slogan "competition is the life of trade" out of date; in certain respects at least competition is the death of trade and of prosperity. I hope that in future the slogan of Canadians and of the world will be cooperation rather than competition.

The question now is how far we can go in the direction of these socialistic tendencies, if you like to so call them. I am not prepared to say. It has been suggested that we should have a national bank, and that may be a good suggestion. It has been suggested also, and I am rather inclined to favour the suggestion, that we should at least mutualize our life insurance companies, and there may be many other directions in which we might proceed. The point I want to make, however, is that I believe some modification of our present system is necessary. We may survive the present difficulties; after a while we may turn that mythical corner of which we have heard so much, around which we will find prosperity. I do not desire to be pessimistic, but I am a little afraid it may be some time before we turn that corner. Whether or not that is so, however, some time later we will have another period of depression, and that will happen again and again unless we modify our system.

Some people think depressions are absolutely necessary under our capitalistic system. I do not believe that, but if it be so, then so much the worse for our system. In the olden days people believed that epidemics of smallpox, yellow fever and other diseases were dispensations of Providence, but science has overcome those epidemics. It does seem to me that it should not be regarded as inevitable that these alternate periods of depression and prosperity should exist in a country such as Canada. I feel that whether or not we see the way clear, at least we should make some effort to find a remedy. If there is one thing in the public mind at this time—and this applies not only to the people who have not very much by way of money or possessions but also to every member of this house, as it applies to myself—it is the constant fear of the future. We do not know what the future will bring, yet we are living in a country and in a world that can and should produce enough for everyone if that production is properly distributed. Surely there must be men of ability in this country, men of good will if you like, men like those who accomplished wonders during the development of the world's civilization, who can find a remedy, so that we should not regard ourselves as impotent to make further advances in the direction we desire to go.

In conclusion, Mr. Speaker, although I have made one or two tentative suggestions which possibly may be quite valueless, I admit, that I do not know the exact course of procedure which will bring about that which we all desire. During last session the hon. member for Red Deer (Mr. Speakman) proposed a resolution providing for the appointment of a committee or commission which would look into questions of this kind and present its findings and advice to the government. As I recall it, that resolution was passed by the house and accepted by the government, and I would suggest that action be taken along the lines suggested. Hon. members opposite, including the Prime Minister, have asked for

the cooperation of members of parliament in the difficulties through which we are passing. The Prime Minister has a right to make that request; I think it is our duty to extend that cooperation just so far as may be possible, and I was going to make this suggestion entirely on my own responsibility, unless the Prime Minister accepts the one I made with regard to the resolution adopted last year: the Prime Minister might very well consult with the leader of the opposition (Mr. Mackenzie King) and the leaders of the parties to my left in connection with the appointing of a committee. This committee could consist of certain hon. members of this house, augmented and supplemented by men in the country from whom we could obtain information or inspiration and advice. This committee would have the power of investigation and of forming settled opinions so that some sort of program might be drafted which would enable us to proceed in the promotion of that condition to which we would like to return or which we would like to reestablish. It might be found that such a committee would prove to be of real assistance to the Prime Minister when he goes to the next world conference or succeeding world conference upon the deliberations and recommendations of which may depend the prosperity of the world in general and Canada in particular.

CANADIAN NATIONAL RAILWAYS—COST OF SNOW REMOVAL FROM GASPE BRANCH LINE

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, under the privilege which we have under this motion to go into supply, I wish for a moment to comment upon the publicity given to the evidence of Mr. Appleton, head of the Atlantic region of the Canadian National Railways, before the Duff commission. The summary of this evidence appears in the Montreal Gazette. In dealing with the various branch lines throughout the maritime provinces, Mr. Appleton made the statement that one year it cost a million dollars to remove the snow from the Gaspe line. This statement is so preposterous that I cannot believe it was made by Mr. Appleton. I have been requested by the people in my district to correct any impression which may have been created in respect to this particular line. Snow removal upon this line costs no more than it does on other lines. Some winters we have very little snow, at times the first snow not coming until the middle of January. I think it is only fair to the people in this district to correct any impression which may have gone abroad that this particular branch line of the Canadian National Railways is being maintained at such a tremendous cost.

UNEMPLOYMENT AND FARM RELIEF

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, for two or three days we have been discussing the questions of unemployment and farm relief. These two questions are somewhat related and until we can bring about a reasonable return to the farmers for the expenditure and cost of production, we will have an unemployment problem upon our hands. In anything I say this afternoon I do not wish to be understood as condemning any policy because it has not brought about one hundred per cent results nor in advocating anything as a cure-all for our ills. It has been said again and again that the farmers are chronic kickers. There are always some people who are failures and who will complain even in the best of times, there are others who can make a success in the hardest of times and living under the worst of conditions.

The question of the return which the farmer receives for the produce he places upon the markets of this country or of the world has been studied scientifically and thoroughly by the Department of Agriculture. I should like to refer to certain figures which appear in bulletin number 159 issued by this department in 1932, and dealing with the cost of producing farm crops in the prairie provinces. This study of the costs of production was made with the idea of ascertaining just where the farmers could reduce their costs. The farmer must market his products in competition with the world, and even though he sells on the home market, it is necessary that costs of production should be reduced if at all possible. I intend to refer to the cost of producing wheat given in this bulletin, and then set over against those costs the prices received by the farmer. This study has been very thorough and I do not think anything like it has ever been attempted before, at least I have not come across anything as thorough. The study was made in cooperation with eight experimental farms, by thirty-one dominion illustration stations in Manitoba, Saskatchewan and Alberta and in addition a survey was made by private individuals in cooperation with the officials of the department. The cost of producing wheat for the period 1923 to 1930 is given as 64 cents per bushel for wheat after fallow. In the second year after wheat, the cost is given as 75 cents per bushel. These figures were obtained from the dominion experimental farms. In the case of the illustration stations in Manitoba, Saskatchewan and Alberta, where there was a check of thirty-one stations, the cost of producing wheat after summer-fallow was 63 cents per bushel, and the cost for the second year after fallow, 76

cents per bushel. On private farms the costs were 78 cents and $1.12 respectively. If I am correct in my figuring, the average cost of producing wheat up to 1930 was 65 cents per bushel.

It may be said that the cost of producing since 1930 has been reduced but I do not think that the reduction amounts to very much. The farm at Rosthern secured the lowest cost of production, the figures being as follows:

| | |
|---|---|
| Use of land | $3 00 |
| Seed at $1.18 per bushel | 1 47 |
| Machinery | 1 35 |
| Twine at 15 cents per pound | 0 39 |
| Manual labour at 25 cents per hour | 1 13 |
| Horse labour at 8 cents per hour | 1 18 |
| One-third cost of summer-fallow | 2 48 |
| Threshing at 12 cents per bushel | 2 70 |

This gives a total cost per acre of $13.70 which based on a yield of 22.5 bushels per acre, gives a cost per bushel of 61 cents. If we revise these figures downward and estimate the seed at about 50 cents per bushel, twine at about 9 cents per pound, labour at about $1 per day and threshing at 5 cents per bushel, leaving the other costs at the level of 1930, we get a cost per bushel of about 46 cents. That does not allow for anything over and above the actual costs.

I find that the average return to the farmer in the three prairie provinces for the year 1930 was 44 cents per bushel. In other words, they lost that year about two cents a bushel, but they got the bonus. In 1931 they got thirty-eight cents and the loss in that year was about eight or nine cents a bushel. This year, without any reduction in cost below the 1930 figure, we have an estimate of what is actually reaching the farmers on the average grain on their farms, of twenty-five to twenty-nine cents a bushel. In other words, the farmers have been losing from eight to twenty cents during the last two years. If we take the figures from 1923 to 1929, we find that the farmers were making a profit of about fourteen or fifteen cents a bushel and things were going fairly well in Canada at that time. But that was not an exorbitant profit; it was a reasonable profit.

The question may be asked, and asked quite fairly, whether, because of the prosperous conditions we enjoyed from 1923 to 1930, the farmers should not have been able to stand the gaff, as some people say, in the last two years. Even the Prime Minister (Mr. Bennett) has raised the question why the farmers were in difficulties during 1930 considering the total value of their production in the preceding few years. There was issued by the Imperial economic committee, volume twenty, on the wheat situation, 1931, and at page 111 there is a statement taken, I believe, from tables prepared by the statisticians in Great Britain showing the relative value of wheat as compared with other commodities in Great Britain. The figures may not apply strictly to Canada, but I do not think that we have any figures worked out on this basis in this country. These figures are given over the period from 1846 to 1930. In 1846 we start off with 100, and if you follow the course of the value of all commodities in Great Britain, excluding wheat and flour, and the value of wheat in terms of other commodities, you will find that the value of wheat has been sliding down steadily ever since 1846. I should like to make a brief reference to 1909. In that year the index figure for all commodities excluding wheat and flour was 91, and for wheat 82. Taking the war and succeeding years, the figures are as follows:

| Year— | Wheat | Other commodities |
|---|---|---|
| 1914 | 69 | 103 |
| 1917 | 69 | 218 |
| 1918 | 60 | 242 |
| 1919 | 54 | 261 |
| 1920 | 52 | 317 |

This illustrates the fact that notwithstanding the high prices for wheat during the war the cost of other commodities in relation to wheat rose very high as compared with what they had been prior to the war.

Coming to the last few years, let us take the prosperous years we have had from 1923 to 1929:

| Year— | Wheat | Other commodities |
|---|---|---|
| 1923 | 52 | 162 |
| 1924 | 56 | 176 |
| 1925 | 62 | 175 |
| 1927 | 67 | 152 |
| 1930 | 56 | 122 |

The story is simply this, that the wheat producer throughout the world has been giving constantly since 1846 more wheat for less commodities and the disparity as between wheat and goods was greater during the time wheat was selling well over $1 a bushel than in ordinary times, outside the last three years, when wheat was around sixty-five to seventy cents. The charge against the farmers in general throughout the world that they are complainers; that they are not efficient, is, in view of those facts, absolutely wrong and not an expression of intelligence. So I submit that we have before us a real problem. Whether we can solve it, whether we can do anything to solve it, is another matter.

I should like briefly to refer to the question of cattle. We have not as complete statistics

with regard to the cost of producing or finishing cattle as we have with regard to wheat, but we have some. There is an experimental station at Manyberries, Alberta, where under range conditions the figures are as follows:

| Per 100 Pounds Live Weight | |
|---|---|
| Cost of calves (in fall) | $7 25 |
| Cost of yearlings (in fall) | 6 98 |
| Cost of two-year olds (in fall) | 6 42 |
| Cost of three-year olds (in fall) | 6 15 |

It has been said that if there is nothing in wheat, the thing to do is to raise cattle. What are the prices of cattle? These are range figures that I have given. I think it is fair to say that it costs a little more to produce cattle under farm than under range conditions. Further, we ought to call attention to the fact that these are prices on the range, not on the market. It would cost probably $1 per 100 pounds to get a lot of that stuff on to the market. So, while there has been a drop of possibly 30 per cent in the price of feed grains, it would still be necessary, in order to pay the cost of producing these animals, the cost of getting them to the market and the feed, to get about five cents a pound. I have under my hand a statement in the monthly bulletin of agricultural statistics for September, 1932. I am taking the quotations at Calgary and Edmonton of steers up to 1,050 pounds common. In Calgary they were selling from $3.50 per 100 pounds in May to $2 in August. That is the lowest figure given. That is the problem. They are returning about 40, 50 or 60 per cent of the cost of production. In Edmonton the price of steers common, up to 1,050 pounds, ranged from $3.20 per 100 pounds in May to $2.05 in August, and for steers over 1,050 pounds common, from $3.18 per 100 pounds in May to $2.06 in August. You lose on the production of wheat; you lose on the production of cattle if you feed the wheat to cattle. That is the story.

What about hogs? I do not want to take time or to weary the house, but I should like to give just a few figures taken from the report of the superintendent at the experimental station at Lacombe, Alberta, and I have checked them against figures of Ontario and further east in Canada. The cost of producing hogs in 1930 at Lacombe was $6.50 per 100 pounds for feed alone, nothing for labour, nothing for depreciation of buildings, nothing for the cost of carrying on the parent stock. That is given at page 36 of the report of the superintendent for 1930. Let us take bacon hogs. The price of hogs at Calgary was $3.37 in May and $4.08 in August. That might bring back the feed cost of production if we allow for the fact that feed has dropped in price a little from 1930. At Edmonton the price of bacon hogs was $3.25 in May and $3.92 in August. It is the same story there.

That, Mr. Speaker, is the agricultural problem. What are we going to do about it? Prices have not gone up to any very great extent since August of this year. In fact, some have come down. Wheat has come down, and there does not seem to be any bottom to the wheat market. I have here a statement prepared by the Imperial Economic Committee. In its twentieth report on The Wheat Situation, at page 105, it shows the approximate wheat stocks in important areas from August 1, 1921 to August 1, 1932 as follows:

| Year | Bushels |
|---|---|
| 1921 | 476,000,000 |
| 1922 | 507,000,000 |
| 1923 | 461,000,000 |
| 1924 | 578,000,000 |
| 1925 | 419,000,000 |
| 1926 | 482,000,000 |
| 1927 | 521,000,000 |
| 1928 | 590,000,000 |
| 1929 | 858,000,000 |
| 1930 | 809,000,000 |
| 1931 | 904,000,000 |

In other words, at the end of August 1, 193. we had more wheat in the world than is imported annually by the leading importing countries of the world. They usually import about 800,000,000 bushels. There was a little drop down in wheat stocks during the year 1931, but while I do not want to take time to quote the figures I may say that that was more than made up this year. We have wheat stocks in the world to-day of approximately 1,000,000,000 bushels, and available for export possibly 700,000,000 bushels. So I submit that whatever the government may do—I think the government was wise in the steps it took to support the wheat pool in marketing our western wheat, and I want to give the government credit for that—in face of the vast oversupply of wheat that we have in the world today there is no possibility of raising the price, and we might as well face that fact. It is no use handing out statements to the press that we have marketed a few more million bushels of wheat over a certain period than we did over a similar period in a former year and so on, so long as we have a huge surplus hanging over the world that we cannot get rid of. Nor can you raise prices of cattle or hogs so long as you have a huge surplus hanging over the market. When we were discussing the trade treaties I said then that you cannot raise prices while you have huge surpluses pressing on the buying market all the

time. You cannot do it. If we are to save our present social system or save it long enough till we can change it for something better there must be a reasonable increase in prices, and the question of raising prices is not altogether a question of raising the value. Prices is a purely relative term. If we cannot raise prices in the world's markets we can decrease the cost of production, and decrease the value of money in relation to the price of wheat, thereby making our produce worth more in relation to money. That is the only thing we can do.

It has been argued that the value of gold is always the same. Yes, it is, in relation to gold, but not in relation to anything else. Just as motion is a purely relative thing, so is value, and the only thing I can see to do in this regard without advocating inflation and increasing the volume of credit or money, or whatever you like to call it, is to lower the value of money in relation to our commodities. It is the flow of money or credit or whatever you like to call it in accordance with the law of supply and demand that determines the value of money in relation to all your commodities. That same law applies to money just the same as it does to wheat or anything else. But the world has been restricting credit in spite of the gold basis. Take what has happened in the United States, which country we have been trying to follow to some extent here in Canada. I have a report of an address here which was made by Donald M. Marvin, Ph.D., economist of the Royal Bank of Canada, in which he sets forth what happened in the United States about 1929. He says:

> In the months which followed the clash in security prices the volume of world trade declined steadily, and prices fell. As gold accumulated in the creditor countries, France and the United States, these countries did not increase their volume of outstanding credit; they permitted it to continue to contract. Even in recent months the weekly returns of the member banks in the United States show a decline in loans and investments of $1,000,000,000 since the first of November; $2,000,000,000 since the last of September, and $3,000,000,000 since April, 1931. The decline in the first four months from October has been at the rate of $6,000,000,000 per year, or more than 25 per cent per annum. No nation can stand such a contraction of credit.

While there may have been contraction or a drop in prices due to the fact that other countries were doing similar things, the contraction in Canada and the United States was also a factor, and a big factor, in the crash of commodity prices.

One reason why we want to see the dollar go down to the level of the pound is that it will mean that our commodities that we must sell on the basis of world prices will be worth more in relation to debts and in relation to the cost of production. We do not advance that as a cure-all. If we did we might well be laughed at. There will still be a lot of problems to be solved even after that is done. I do not think the government is taking the wise course in relation to the primary producers of this country in trying to keep the dollar up as high as possible. Somebody has to sacrifice, and I think the farmer has sacrificed in the last few years. I have advised the farmers throughout my constituency, notwithstanding the fact that I could not see any prospect in the near future of an improvement in conditions to any great extent, at least until this money question was tackled, in spite of the fact that the treaties are of some value and will do some real good, to continue on as carefully as possible because it is their duty to Canada to carry on. If the primary producers of this country were to throw up their hands, the bonds of the country and the savings of the people would not amount to much.

Some people take another position. The Prime Minister has taken it on one or two occasions, if I understood the reports of his speeches, namely, that because we ask for some inflation we are asking the government to do what they did in Germany and Russia during and after the war. Now if praying for rain means that you are praying for a flood, that would be all right; but it is not so. Our whole life is an attempt to regulate our conduct on the principle of moderation, a choice between two extremes. If it is right to argue that every man who takes a drink is a drunkard, it would be all right to argue that deflating the dollar to the level of the British pound would be asking the country to do what happened in Germany during the war. What happened in Germany? In December, 1920, they had 81 millard paper marks issued, and at that time 17 paper marks were worth one gold mark. In August, 1923, there were 116,000 millard paper marks issued, and it took 1,000,000 of them to equal one gold mark. That, Mr. Speaker, is inflation with a vengeance.

Then, turning to Austria we find that in June, 1920, there were 17 millard paper krone in circulation; at that time 27 paper krone were worth one gold krone. On August, 1923 there were 5,557 millard paper krone in cicu-lation, and 14,369 were required to equal one gold krone.

Then follow the currency conditions in Russia. We find in January, 1919 there were

61 millard paper roubles in circulation, and at that time 103 paper roubles equalled one gold rouble. In June, 1923 there were 8,050,000 millard paper roubles in circulation, and at that time 97,690,000 paper roubles equalled one gold rouble. These figures show the extent of inflation which obtained in Germany, Austria and Russia. What happened in those countries was that the savings of people holding wealth in titles to money were wiped out. Germany practically wiped out her internal debt. The same happened in Russia.

We do not want that to happen in Canada. The sensible basis upon which to regulate the volume of money—and it cannot be done without a central bank charged with responsibility—is in relation to price levels. Thereby one can issue a fair volume of money to the people who have saved up wealth, and a reasonably fair issue to the producers of commodities. That is the point at which we must aim. At present we are sacrificing the people who produce manufactured goods, and we are also sacrificing the farmers for the sake of those people who have wealth and titles to money. We are not asking the government to go to the other extreme, but merely asking for reasonable parity or equilibrium. There are other places also where parity might be established.

So, Mr. Speaker, that is one step which in my view may be taken. Some people ask: How can it be done? The Macmillan committee advanced various methods of doing it, but I believe it could be done very simply if the Prime Minister would announce tomorrow in this house that Canada, for the future, would try to stabilize her dollar on a level with the British pound, in relation to the United States dollar. I believe that would do it. Further, I believe anything done along that line, while it may take away from people who have wealth and titles to money, will make for better conditions generally among the whole population of Canada.

The hon. member for North Waterloo (Mr. Euler) who spoke immediately before me referred to the doubts entertained by Sir Montagu Norman and several other gentlemen. Certainly there is one thing about which there can be no doubt, namely that we cannot continue to go on as we are doing today. We must go somewhere. What have been the experiences in countries which have devalued their money? Has Great Britain lost? Undoubtedly some people in Britain had to lose, but Great Britain has been able to balance her budget. Further, if the figures given to the house by the hon. member for Southeast Grey (Miss Macphail) can be relied upon, and I believe they can, Great Britain has been able to show an increase in employment. She is maintaining her export business on the markets of the world better than any country that has chosen to remain on the gold basis. The United States, and several other countries on the gold basis, are losing heavily. Australia is operating on a devaluated currency. An editorial taken from an Ottawa Journal of recent date is as follows:

> A loan floated by the government of New South Wales in October, guaranteed by the Commonwealth government, was over subscribed within half an hour. The loan was for thirteen million pounds, to bear three and one-half per cent interest, and was issued at ninety-seven. . . .
>
> Professor Copland, of the Melbourne university School of Commerce, who is one of the Australian government's expert advisers, says that Australia has been saved by a three-fold policy:
>
> 1. Depreciation of currency in terms of gold. The exchange rate is now 25 per cent off sterling and 60 per cent off gold.
> 2. Expansion of credit.
> 3. Cutting of costs.

We have tried some of these things in Canada but not depreciated currency and expanding credit. We have been contracting credit although, I believe there has been some slight expansion lately. It is because I believe that will help in the present situation that I am advocating it to the house. I want to give the government full credit for what it has done in the marketing of wheat, although I wish it had been able to continue the bonus, because the need is desperate. If however the government cannot see its way clear to do that I think it is only fair that, in view of the tremendously difficult circumstances under which the farmers of western Canada are operating and for that matter all farmers, there should be a devaluation of the dollar, and, for a time at least, a sacrifice on the part of those people who in the last few years have received wealth by an increase in the purchasing power of their money without effort on their part. I believe they should be asked to make a sacrifice in order that primary producers may be helped, by a relative lowering of costs of production and debts.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I regret I cannot understand the attitude of the hon. member for Peace River (Mr. Kennedy) who has spoken before me. It would seem that he is dissatisfied with the government, and for that reason I cannot understand why he has voted with them.

I regret very much the absence from the house of the Prime Minister at this time. The present discussion concerns the situation now obtaining in Canada and I believe the Prime Minister should be in his seat to hear the complaints from the different constituencies.

Mr. MANION: Where is the leader of the opposition?

Mr. POULIOT: The leader of the opposition is not in charge of the government.

Mr. MANION: I see.

Mr. POULIOT: I believe the Prime Minister should follow the good example of the Minister of Railways and Canals (Mr. Manion) and should be in his seat at the moment.

Mr. MANION: So should the leader of the opposition.

Mr. POULIOT: To show my appreciation of the Minister of Railways and Canals I shall quote him in a few moments. Because of the distress suffered by farmers in the province of Quebec may I say that I regret very much to see none of the Quebec ministers in their seats. The only members we see on the government benches are the would-be ministers.

Mr. STEWART (Edmonton): Name them.

Mr. POULIOT: No; in due course the Prime Minister will name them. A few days ago my distinguished friend from Charlevoix-Saguenay (Mr. Casgrain) brought a matter of great importance to the attention of the house. At that time he spoke concerning the guarantee given by the government to the wheat pool. In the course of his explanation the Prime Minister uttered the following words which appear at page 1094 of Hansard:

If I might say so, I do not think any good purpose would be served by going into the details of the operations which we have entrusted to the organizations I have mentioned under the management of Mr. McFarland.

At that time I took the opportunity to make a practical suggestion to the Prime Minister. It appears as follows at page 1096 of Hansard:

As the right hon. gentleman has said that it would serve no good purpose to give any more details about the situation and as the explanations that he has already given are most interesting, would he have any objection to having the galleries cleared in order that he may give full information to the house? I have asked the Prime Minister for an answer.

[Mr. Pouliot.]

I asked for an answer because the Prime Minister made no reply to my suggestion. Then Your Honour said "No." I note however that there was no answer from the Prime Minister. My point of view was this: We are here to look after the business of the country. At times it may have been that the government was a few millions up. At the moment the Prime Minister made his statement however I learned from a reliable source that the government was down about $30,000,000 or $40,000,000. Whether or not my information was correct I cannot say, but I was very suspicious when the Prime Minister refused to tell the house what had really happened. If he could not give that information to the press, he could very easily have the galleries cleared and given full information to the house so that we might have known the deficit in connection with that particular operation.

He has done that for the west; what has he done for the east? In that connection I asked him another question; I like to see him in the house so that I may ask him questions. As it is a one-man government, of course I can ask questions of only that one man. The other day I asked the Solicitor General (Mr. Dupre) to convey a message to the Prime Minister. I had to convey my message through Hansard, because the Prime Minister was not in his seat.

Mr. SANDERSON: Probably the Solicitor General could not see the Prime Minister.

Mr. POULIOT: Oh, I believe he could see him; I shall give him the benefit of the doubt. According to Hansard of November 15, page 1155, I spoke as follows:

Whether it is good, or whether it is bad I am not yet ready to express a view,—

I was speaking about the guarantee to the wheat pool.

—but may I ask the government seriously to consider if it is not advisable to give the same warranty to the farmers who raise hogs, to those engaged in the dairying industry, in potato-growing, to those who have greenhouses, to those—

Mr. Chairman said: Order, and I continued:

If the move that has been made by the government with regard to guaranteeing wheat is a good move, it is just as good for the hog industry. If it is necessary for the wheat industry it is just as necessary for the hog industry and for agriculture as a whole. For this reason I ask the Prime Minister whether he is not ready to consider at once guaranteeing the hog industry in order to provide some actual relief to the farmer in Canada the same as is done for the wheat business.

The Chairman: Shall article 6 carry?

Mr. Pouliot: I should like to have an answer to my question. I spoke in plain English?

The Chairman: There is no rule to compel anyone to answer. Shall the article carry?

Some hon. Members: Carried.

No answer! Just as well to have no Prime Minister if you have one who does not answer. He is dumb! I asked him what was the guarantee that he was giving to the pool. No answer! I asked it on behalf of hon. members of this house who wanted to know something about it. No answer. Then I asked him if he is ready to do for the farmers of the east what he has done for the farmers of the west. No answer, he is mute.

In the province of Quebec, at least, each farmer is a lumberjack. The farmers divide their life between the two industries, farming and lumbering. I am not going to speak at great length about it but may I say that there is no actual relief to the lumber industry, if we take the words of the hon. member for East Algoma (Mr. Nicholson) who said that the results of the trade agreements in respect to lumber would mean something in three to five years. In the meantime in rural centres the burden of private charity is on the shoulders of the farmers, and those who have to suffer a cut of ten per cent in their salary.

The other day the right hon. Prime Minister was in Toronto, and may I quote a very short extract from the Mail and Empire of November 17, 1932. It is entitled:

Hordes of Yelling Children Surround Premier at Fair, Forcing a Strategic Retreat

Children to the right of him, children to the left of him, children in front of him, screamed, yelled, pushed, shoved, kicked him in the shins, hurtled in his middle, and had the time of their lives upsetting every vestige of dignity in the tour.

Only one premier, but—

That is the subtitle; isn't this delightful?

It was a lot of fun, at first, judging by the large amused smile on the Prime Minister's face, but at the end of two hours the somewhat wan and harassed look had almost removed the smile. The difficulty was there was only one premier, but there were no less than 25,000 youngsters to step upon his toes.

And it explains that if he made a fair speech in the evening—he was speaking at the fair, it was necessarily a fair speech, but some of the statements were painful. We see in large characters as a headline in the Mail and Empire of November 17, what declaration, what statement?

Home Market Ensured Farmers, Bennett Asserts

That is all. That is a very commonplace saying. As you know very well, Mr. Speaker, in this country production exceeds consumption and farm products are supposed to be on an export basis. If the Prime Minister says that the farmers have only the home market, it means that the market has shrunk and they cannot expect anything at all as a matter of export.

Now I had something on the tariff, but I will only say a word about that. I am most surprised that Right Hon. Senator Meighen has introduced the legislation about the agreements in the upper house. I will tell you why. I say that on account of the farmers, who complain that prices of foreign commodities are so low. If we take Hansard of April 8, 1926, we see this:

Mr. Ross (Moose Jaw): You contend that if the tariff is taken off the prices immediately rise?

Mr. Meighen: We contend it and we know it, because we see the facts.

Now, in order to fulfil my promise to my genial friend the Minister of Railways (Mr. Manion); on that same occasion, the same page, he said:

If you take off the tariff you raise the prices of goods.

Which can be reversed this way, that if you increase the tariff you decrease the prices of goods. My hon. friend knows very well that I would not like to misquote him. Now the government gives the figures of quantities instead of values of sales and exports. The farmers have to produce three times as much for the same amount of money. That is what is being done now.

During the campaign the right hon. Prime Minister said: I will give you work, not charity. What has been done? According to the report of the Dominion director of unemployment relief of March 16, 1931, there were 228,351 individuals given employment, but the number of man days given were only 3,975,355. In other words, by virtue of this relief act each of the unemployed mentioned in the report worked for only thirteen days.

Very often in this house I have stressed the importance of a classification of the unemployed. On October 31 of this year I asked a question, which will be found at page 693 of Hansard:

Mr. Pouliot:

1. Does the total number given relief 741,241 (page iv of the last report of the Dominion Director of Unemployment Relief) include men and women?

2. If so, what is the proportion of men and women?

3. Does it include boys under twenty-one years of age?

4. If so, how many?

5. Does it include: (a) railway employees; (b) farm help; (c) store clerks; (d) commercial travellers; (e) agents; (f) miners; (g) sailors; (h) carpenters; (i) bricklayers; (j) masons; (k) plumbers; (l) office clerks; (m) day labourers, and (n) people who were working for manufacturers?

6. If so, how many of each class?

Mr. Gordon:

1. Yes.

2, 3, 4, 5 and 6. The statistics regarding the number of persons receiving direct relief under the Unemployment and Farm Relief Act, 1931, were submitted by the provinces under the following headings:

(a) Number of heads of families given direct relief.

(b) Number of dependents on heads of families.

(c) Individual relief cases covering one person only.

Therefore, the Department of Labour has no information as to the division of men, women, etc., or the occupation followed by persons receiving relief.

There are social organizations which look after the unemployed, such as the St. Vincent de Paul Society, the Salvation Army and the Red Cross. These organizations do a wonderful work. They try to locate those poor people who are ashamed of their condition, whom we might call the hiding poor. As my humble contribution to this debate I would suggest that the government see to it that the unemployed are classified so that we might be able to do something for them more quickly. We have heard a good deal about direct relief. According to the report of the Dominion director of unemployment relief dated March 1, 1932, there were 2,223,671 meals given, while the total number of people on direct relief was 741,241. So, according to the official report, the relief given each man, woman and child mentioned therein amounted to only three meals, or food for one day. I would like to remind that gentleman that one day is only a very small fraction of the year. The case is even worse in regard to lodging. There were 426,461 nights' lodgings given those 741,000 unemployed, which means that about one-half the unemployed were lodged for one night. Can we say that direct relief means anything?

It seems to me that the government underestimates the number of unemployed and overestimates the aid it is giving. Today while I was having luncheon in the restaurant I asked the waitress how many members there were in her family. She told me there were nine boys and seven girls. One boy is married and lives away from home, and is unable to give any assistance. Of the seven girls one is working in another city and two are employed as maids. So there are four girls and eight boys left at home, with their mother and a father who has paralysis. Of the fourteen children at home only two girls are able to contribute to the support of the family. There are many government employees receiving small salaries, who suffered a cut of 10 per cent and who are supporting their married children who are unable to get work. The situation is worse than it ever has been. You know, Mr. Speaker, that many heads of families have come to the assistance of the unemployed by giving them lodging, food, shelter and clothing. There are many young men just out of college who are unemployed; what are they to do? They are willing to work but there is no work, and perhaps they will not always have that desire. Today I received the following letter from an unemployed man in Quebec:

(Translation)

Quebec, Nov. 23, 1932.

Mr. Jean-F. Pouliot,
Member for Témiscouata.
Dear sir,—

Would it interest you to know what it costs the Dominion government, provincial government and the city of Quebec to feed, light and heat a family of six persons, for a period of twenty-eight days, under the government of R. B. Bennett. I shall put an end to unemployment or perish in the task. For Heaven's sake will you do me the favour, if you think it expedient, of drawing the attention of the house and the pressmen to this letter. Perhaps this would help to close—

Then, there are a few words which are illegible.

—who states that nobody is in want in Canada. Were I conveniently dressed to appear before a justice of the peace, I would be pleased to make a sworn statement as to the list of articles which I am enclosing in this letter. Not wishing to trouble you further, I remain,

Your most obliged.

October 29 direct relief

| | | Cents |
|---|---|---|
| 6½ | lbs. of pork at 10 cents | 65 |
| 3½ | lbs. of pigs' feet | 25 |
| 1 | bag of potatoes | 65 |
| 3 | lbs. of butter | 72 |
| 1 | lb. of fat | 12 |
| ½ | doz. eggs | 20 |
| 3 | lbs. of beans | 15 |
| 2 | lbs. of brown sugar | 10 |
| 2 | lbs. of onions | 10 |
| ¼ | lb. of pepper | 15 |
| 2 | bars of soap | 10 |
| 11 | loaves of bread, 2 lbs. each | 88 |
| 1 | cord of wood, 2 ft. long | $6 00 |

About the same things are supplied each week.

Total $20.56.
Fuel $6.
Lighting 21 cents.
Food $14.35.

For a family of six persons for a period of four weeks.

That is, under the direct relief system, an amount of $14.35 is given to feed six persons for a period of 4 weeks. He further adds:

I wish to point out that one must not find fault, otherwise one is looked upon as a communist.

This brings me to what the Prime Minister said in Toronto on November 10:

Well, if there are any Liberals within sound of my voice you will get away from that party because it is no longer a party but a jumble led by a cooperative commonwealth. Why? Because they seek to capitalize on all the unrest that exists.

I should like to know on what authority the Prime Minister based his statement that he would end unemployment; that information would be very interesting. For the first time in my life I have seen a copy of L'Internationale, not published by the Liberal party but contained in a paper called Spartakus, the official organ of the unemployed. National unrest is caused by national distress. The government has done nothing or very little to assist the unemployed; it is private charity alone which has prevented the spread of communism throughout the country and it should be thanked for the fact that "L'Internationale" is not our national anthem.

Last year I made a suggestion to the Minister of National Defence, which he accepted. I suggested that the military clothing in the possession of the department should be used to clothe the unemployed. The minister followed out my suggestion by placing some unemployed in the citadel at Quebec, and that was a very good move. There is an armoury in my town in which considerable clothing is being ruined by moths, and I submit that this clothing should be given to the unemployed. If new uniforms are necessary for the militia, the department should order them to provide work for the tailors.

Mr. COTNAM: Will they wear kilts down there?

Mr. POULIOT: My hon. friend is more familiar with Scotch matters than I am.

The back to the land policy is sound theoretically but it should be carried on with great discretion. Consideration should be given to the natural disposition and experience of those sent back to the land. A farmer cannot be improvised, he must have a disposition for settlement upon the land. It is almost impossible to change the manner of living of the white-collared unemployed—he cannot be turned into a farmer in a day.

The lands should be classified before people are placed thereon in order that the right selection can be made of good farm lands and forestry reserves. No lot should be granted unless it is upon a road. I have knowledge of some unemployed who tried to get to the lots issued to them but they found they could not do so because there were no roads.

Mr. GORDON: The selection and location of the families is determined by the provinces.

Mr. POULIOT: I will admit that, but as the provinces are to send delegates shortly to a dominion-provincial conference, I suggest that this matter should be brought to the attention of those directly concerned.

This morning I read an interesting report in the paper, a résumé of an order for return tabled yesterday showing that certain extravagant purchases had been made in the province of Quebec in connection with the back to the land scheme. It is impossible to keep any settlers upon the land if they are forced to live unhappy lives. They must have a certain amount of comfort but this is no excuse for the extravagance which has occurred. Extravagant purchases have been made, certain accounts are supposed to have been falsified and apparently certain purchases were made without authorization. The Montreal Gazette of November 23 contained an interesting report of a rather lively meeting which took place between the council of the city of Montreal and the premier of the province of Quebec in connection with direct relief. I should like to make a certain statement and before I do so I will say that I take full responsibility for what I say. I make this statement as a Canadian and as a French Canadian who does not like to see these people suffering as they are. In the neighbouring constituency to Témiscouata certain farmers were forced to eat herbs last summer in order to exist. These people are just as poor as anyone possibly could be. They were isolated in the middle of the woods and had no opportunity to communicate with anyone. Another matter which should be investigated is the issuing of letters patent or location tickets to so-called farmers who do not settle upon the lots issued to them. The whole matter of colonization should be thoroughly investigated. I know of one instance in the giving of direct relief where lumber was purchased in the Abitibi district to be used in Charlevoix-Saguenay constituency. This purchase was made because one of the leaders of the movement had a brother who had a mill in Abitibi. It is a shame that money should be wasted in this way. I would suggest that the Trappist friars,

who have made a specialty of agriculture, should be called upon to organize the settlement of people upon the land in the province of Quebec. This is another suggestion which I offer to the Minister of Labour.

Mr. GORDON: That matter would be entirely in the hands of the premier of the province of Quebec.

Mr. THOMAS F. DONNELLY (Willow Bunch): Mr. Speaker, we are, I hope drawing near to the end of this portion of the session. Hon. members who come from industrial centres will be going back home to their constituencies and the first question the labourer will be asking them will be: What have you done for the unemployed? They will have to admit that during the present session nothing has been done which will in any way help the unemployed. Those of us who come from the agricultural centres also will be going back home, and the first question our farmers will be asking will be: What have you done for the relief of the distressed farmer? We shall be obliged to admit that nothing whatever has been done during the present session to relieve unemployment and our distressed farmers.

With a government that went into power promising to end unemployment, promising the farmers a high price for their wheat, a high price for their butter and high prices for all their other farm commodities, unemployment, farm relief and the administration of those two matters should surely be their first consideration. Whatever we may say or think, throughout the length and breadth of the country these two problems, the relief of farmers and the giving of work to the unemployed, are uppermost in the mind of almost every Canadian.

Some hon. members will say: This unemployment and this distress on the farm are due to the world depression. We admit that. It was true in 1929; it is true today. The depression which has spread over different parts of the world has caused in other countries conditions similar to those obtaining here, but we believe the policy of the present government has aggravated the situation in Canada. If we study this depression, we find that it has followed the course of many others. Depressions have existed in Canada and in the world before, and they have all gone in the same direction. We find that the first people to feel the effect of hard times are the primary producers: the farmers on the land, the fishermen, the lumbermen and the miners, especially of the coarser metals. These people begin to get a smaller price for their product. The result is that their buying power is lessened, they are able to buy very little from the retail merchant. The retatil merchant in turn is able to buy very little from the wholesaler, and as a consequence the wholesaler is able to buy very little from the manufacturer. In about six months or a year the manufacturer begins to feel the lack of buying power on the part of the primary producer, whether he be farmer, fisher, lumberman or miner. Conversely, when we begin to come out of the depression, the first people to feel the effect of good times are the primary producers. They begin to get higher prices for their goods. The farmer receives a better price for his produce; the fisherman also, the miner a better price for his coarser metals and the lumberman, whether in pulpwood or ordinary lumber, begins to get a better price. These better prices enable them to buy more from the retail merchant. As a result the retail merchant buys more from the wholesaler, and the wholesaler more from the manufacturer. This has been the course of every depression through which the world has passed, and doubtless the present one will follow the same course.

We find, however, today that instead of times getting better, day by day and week by week prices are getting smaller and smaller to the primary producr. We are getting further and further, deeper and deeper into the present depression, and in fact it looks as though there were no daylight ahead. We have never yet got over a depression by starting at the top and working down, by the manufacturer or the financier or the stockbroker getting better prices for stocks or shares or bonds. The movement always starts with the primary producer and we find that he is getting into a worse position day by day and week by week.

What is the cause of the present unemployment and farm distress? All economists throughout the world say today that the main cause of unemployment and farm distress is tariffs; that greed on the part of an individual, of a corporation, of a country and, coupled with that, anything which produces or constitutes special privileges handed out to individuals are the causes of our present depression. We find today, for example, that in western Canada we have conditions where our farmers are unable to grow wheat because it is too cheap. With wheat at from twenty-five to thirty cents a bushel our farmers cannot grow it because it is too cheap. Yet in Germany we find that the farmers cannot eat white bread because it is too dear. On the other hand, we find that the farmers in

western Canada cannot buy iron or steel for the repair of binders or mowers or rakes or whatever it may be, because those commodities are too dear, whereas Germany cannot produce iron and steel because they are too cheap. The German common people and the common people of the west are willing to exchange our wheat for their iron and steel, but they are prevented from doing so. By whom? By the big interests, by politicians and by the policies of the different governments in placing restrictions in the way of high tariffs on our wheat going into Germany and their iron and steel coming into Canada. The result is that we are starving for the need of iron and steel for our repairs and Germany is starving for the lack of wheat. These are well known facts. I might say the same thing with regard to France, Italy, and almost every other country in Europe. Almost everyone today, even some hon. gentlemen opposite—the Minister of National Defence (Mr. Sutherland) in South Huron, and the hon. member for North Huron (Mr. Spotton), said they would like to see tariffs done away with—realize the proper course to pursue is to do away with tariffs. We would like to do away with tariffs, but everyone is afraid to make a beginning. They say: We cannot do that because all the world has gone crazy and we must be crazy too. Someone must make a beginning in the direction of lowering tariffs. If we were to start doing so, then we would be able to deal with other countries and make conditions better for our own farmers and labourers.

We in Canada live under a system of what we call individualism or capitalism. This has grown out of the old Norman system when each individual was supposed to be paid according to his work. He could work as long and as hard as he liked and put as much mental ability into his employment as he wished, and he was rewarded according to his labour. The idea was that every man should have freedom of action. Developing out of that we have the system of Cobden, Bright and Gladstone of freedom of action by a country, where we should have freedom of trade between countries, just as individuals have freedom of action. That is the history of the past. But we find at the present time that restrictions have been placed upon freedom of trade among nations and we find also that under our system there has not been a just reward for labour, I do not care whether it be that of the mine or sea or farm or office. Capitalism has been receiving too much; the manufacturer has been getting too great a reward for his capital. Unless something is done to give a more equitable reward to labour, there is no doubt that this capitalistic system of ours will break. Then the only thing left for us is communism, and no one wants communism in this country. As a matter of fact, we have it already in a measure in Canada. We are under communism when the state tells us what we are to work at, to get a living, clothing and warm beds. If you go to gaol or the penitentiary the country will give you a meal and a warm bed, but no one wants that condition. Our present system must be reformed, and if it is not reformed then as sure as day follows night our system as we know it today is going to break. I repeat, that this system does not work out perfectly either for the individual or for the country. In other countries we have seen people carried away by greed and selfishness.

I have sympathy with the Prime Minister because I do not think the manufacturers used him fairly, and I say that without fear of contradiction. When he came into power he did away with the tariff advisory board, and then the manufacturers came to him and told him that they wanted so much tariff on their goods. I believe they asked for more then they needed. I believe that firmly, but the Prime Minister took them at their word and gave them what they asked. He gave them too much. These manufacturers asked for too much and they got too much. It is only human nature to ask for a lot and expect less. That was the way with the manufacturers, except that they asked for a lot and got a lot. It was this spirit of greed operating again. They were carried away by this trait in our human nature. But I say, Mr. Speaker, that granting them such high protection has helped to make conditions worse than they otherwise would have been. Personally I do not think that any manufacturing concern in Canada or anywhere else should receive more than 15 or 20 per cent protection at the most. A certain amount of protection perhaps should be given to some manufacturers, but when a manufacturer asks for 90 or 100 per cent protection he should not be given it. It is out of reason altogether. Yet these manufacturers asked for it and got it. The result is what? It means that our farmers have lost their buying power; they cannot buy as much as they could before. It means that the ordinary labouring man is thrown out of employment, and little by little the effects spread and intensify the present depression.

What do we find in regard to unemployment? Last year I had occasion where I was situated to see many of these men who were

out of work and wandering up and down the country. I must disagree with the Minister of Labour (Mr. Gordon) when he says that these men are mostly foreigners. I am sorry to say that most of them are Canadian-born, young men mostly between the ages of 16 and 24, who have left the farm and gone out into the world to try to make a living, and now find themselves out of work. It was these young men, Canadian born, who were in the majority of those that I found travelling up and down on our trains. When they left home and started out in the world to make a living they wandered about for a year or two, and I am sorry to say that the majority of them go from bad to worse, so that after a time it is hard to get them back into industrial life. Those are the conditions as I saw them in western Canada, at all events.

The only policy that the Minister of Labour seems to have to cure this condition is to put these people back on the land. I want to say this with regard to the back to the land movement: I have been farming in western Canada for the last 24 or 25 years and you can take any farmer in western Canada today, and let him be ever so good a farmer, put him on the best land in western Canada, and give him his home and the farm equipment he needs, and I will guarantee that he cannot make a living and pay his taxes. When men who have been at farming all their life are not able to make a living on the best farms in western Canada today, why send these people out of our cities back to the land? The best farmer in western Canada today, if you give him his land and his home, his horses and equipment, is not able to make a living and pay taxes on the land at present prices of farm products. I am still farming in western Canada and know whereof I speak. And when I see papers like the Winnipeg Tribune writing article after article saying that all is well in the west and that we are on the road to prosperity, I say, Mr. Speaker, that it is a shame. They are just armchair farmers sitting around the fire, not out doing the actual work on the farm, getting up at four or five in the morning. If they had to do that, they would realize what they were up against and what reward they got for their labour. They would know that conditions are as I have stated. They simply do not know whereof they speak. I repeat, the farmer in western Canada today, I do not care where he is, is not able to make a living and pay his taxes under present conditions.

I hope that some good will come out of the provincial conference which the Prime Minister has called, and that something will be done whereby work will be provided for some of our people. It is a step in the right direction, and I want to congratulate the government for having taken it. I trust that something will be evolved that will enable our unemployed to get work.

Just to give the house some idea of farming conditions in western Canada, last summer a man on one of my farms was going into town and he thought he would take in a beef hide to sell. He put the hide into the car and drove into town. He went up to the merchant and asked him: "How much will you give me for this?" The merchant replied, "It is of no value to us." "Will you give me two bits for it?" the man asked. "No," said the merchant, "it is of no value to us." "Well," said the man, "will you take it if I give you two bits?" "Well no," the merchant replied, "as far as that is concerned, if you want to get rid of it I will take it from you, but it is of no value." So the man gave him the hide for nothing, a hide from a 700 or 800 pound steer. Then the man turned round and went across the street to the hardware merchant's, and bought for $1.50 a pound of lace leather made out of the very same raw material that he had given away for nothing.

Mr. MULLINS: That statement is absolutely wrong and misleading to the farmers of western Canada. You cannot make lace leather out of that kind of hide.

Mr. DONNELLY: I want to tell the hon. member that I have seen lace leather made out of hides of that kind. If the hon. member is a tanner he may know. I am not a tanner, but I have seen lace leather made out of that kind of a hide.

Mr. McKENZIE: (Assiniboia): So have I.

Mr. DONNELLY: Yes. I am not speaking from hearsay. I know whereof I speak. He paid $1.50 for one pound of lace leather, and the hide he gave away for nothing. What is true of that hide is true of other things. Only the other day a carload of feeders was sent down from western Canada to Toronto and sold to the farmers on the farms in eastern Canada. It was laid down outside of Toronto for two cents a pound. How much will the farmer in western Canada get for those cattle? About half a cent a pound. He cannot get more. The freight all the way from western Canada to Toronto and then out to the farms will eat up the other cent and a half, leaving the farmer in western Canada only half a cent a pound. That will give the house some idea of the prices the farmer is getting for his products. Freight

eats up most of his returns. Some baby beef was sent into Winnipeg, and was sold for two cents a pound. One cent a pound was paid for freight and commission, with the result that the farmer received only one cent per pound for his product. That was his net return. On top of that he had to pay fifteen cents exchange on the cheque. Hon. members will readily see that farmers are receiving ridiculously low prices for their products. The result is that today it is impossible for the farmers in western Canada to exist and to pay taxes on their lands. The condition I am describing is general throughout the western provinces. At this point however I should like to refer to conditions in my own district.

I come from a part of western Canada which has been so unfortunate as to have had no crop for the last four years. This year we are in the same position; we have no crop. Conditions may be described as terrible. I have heard of famines in India, China, and other parts of the world, but the condition existing in my district is as bad as any famine which ever took place. I have lived in and practised medicine in Canada for many years. I have always said that I never saw a hungry farmer in western Canada; I never saw want or poverty before. But I must admit that in the last two years I have seen more want, more poverty and more hardships than I have known to exist in the world before. These are the conditions in my section of the country.

What has the government done to relieve these settlers? Many charitable organizations have sent out relief in the form of clothes, groceries, and one thing and another. The farmers in the stricken areas are thankful for the relief they have received. Provincial legislatures also have handed out a certain amount of relief, and I want the house to understand we are thankful for the relief we are given. On the other hand, what are we actually getting by way of relief? How much do we receive? I have in my hand a letter from a clergyman in my district which sets out what the farmers in western Canada are receiving to help them in their distress. According to his information an adult is receiving $7 a month, a boy $5 a month, a girl $4 a month, and a child under seven years of age $2.50. With this amount of money they must buy their clothing and their groceries—$7 a month for an adult. Anyone who stops to think must know that a man cannot buy the necessities of life with this amount of money, and with that in mind hon. members realize the distress that exists.



We feel that the cost of distributing relief is altogether too high. In every municipality there is a relief officer. He runs up and down from one town to another; I do not know what he does, or why he travels from place to place. The fact is, however, that he runs backwards and forwards and receives good pay for it. There is a whole army in Regina. and I shall endeavour later to tell what they do. On the reverse side of the relief orders handed out there is an indication as to what a man may buy—a certain quantity of beans, tea, coffee, sugar, or other necessities of life—and the prices he must pay are set opposite. I will guarantee that when those orders are presented to the merchants not one in half a dozen is made out according to the list on the back,—no, not one in a thousand. I will guarantee there is not a merchant in western Canada today who lives up to the regulations appearing on the back of those orders. He fills in the order just as he likes, indicating so many pounds of beans, so much tea, and so on. According to these receipts, carloads of beans have been sold. The merchant fills in the order, then turns around, asks the farmer what he wants and gives it to him. For example, tobacco is not included in the list, and we all know that every farmer who smokes will get tobacco. The result is that the farmer gets his tobacco, although it may not appear on the order.

In Regina an army of two or three hundred is working in connection with relief measures. What is their work? Their work is to go over these lists and see that they are made out properly. They see that the calculations appearing on the orders are correct, and that the right amount of sugar or flour has been handed out. They are employed in that way, although we know as a matter of fact that many of the entries on the backs of the orders are fictitious. Yet we find them figuring at it, and that is the work for which we are paying them. In my view we would do much better to write out a cheque and send it to the farmer, telling him at the same time that he will receive no more until the first of the next month. Under the present circumstances a farmer may want to buy a postage stamp, and has to have money therefore. Under those circumstances he would go to a merchant, hand him his relief order and say, "I want a dollar with which to buy postage stamps," or "I want to go to the drug store to buy a bottle of castor oil." Invariably the merchant hands out the dollar and charges it up to so many beans. That is the way it is done, all

the way through. Despite the inaccuracy of it all, we are paying all these relief officers and assistants. For what? For nothing, that is all.

In connection with this problem of relief I have only one more point to make. I have often wondered why a bachelor, we will say, out on a farm on the prairies, who wants a crust of bread, a cup of coffee or a pound of butter, must, before he receives any of them, sign a note saying that he will pay. We talk about relief, but we are not receiving relief in western Canada. We are only being financed. I wonder if the Prime Minister considered he was granting relief when he loaned money to the Canadian Pacific Railway Company, or if he considered that he was merely financing. That is all he is doing with us; he is just financing us. For every dollar we receive in western Canada we have to sign on the dotted line, saying that we will pay. Why should we be treated differently from other parts of the country? What is the practice in the cities? When a man in the city of Ottawa states that he is hungry and wants a meal, do you make him sign a note before you send him to a soup kitchen? Why should you make the farmer in the west sign a note? I am not talking about seed grain; I am not talking about relief handed out by way of feed for horses, or that sort of thing; I am referring to ordinary grocery bills and the necessities of life. In order to get ordinary pork and beans with which to sustain life the western farmer has to sign a note, a promise to pay.

I do not know whether the same practice is followed in Ontario or in Manitoba, but I know it is done in Saskatchewan, and is being done to day. When I asked the Prime Minister why this practice was followed he said: "Why, I was flooded with telegrams from people in western Canada begging that they be allowed to sign notes." But when I asked him for a copy of those telegrams I could not get them, and so far they have not been forthcoming. I have gone all through the west and questioned farmer after farmer, man after man, to find just who had sent those telegrams. I could not find any of them; I do not know who sent them. I heard one farmer say if he ever caught hold of the man who admitted sending one of those telegrams it would be a sorry day for him, that he would make it most uncomfortable for him. They believe they are being descriminated against. They believe their hard times are being made worse.

Another thing we in the dried out areas had to contend with was the relief measures handed out by this government by way of wheat bonus. That was one of those half-baked pieces of legislation put through last year by the government. At first it was going to be so much a bushel, five cents, on export wheat, but that was modified time after time until we got five cents per bushel of wheat sold by the farmer. What relief would that be to the farmers in a dried out district in which no crop was produced? We got none of it whatever. The only thing it did for us was to make us pay five cents a bushel more for our seed wheat. We had to pay more for our flour on that account. There were some seventy to one hundred municipalities in the same condition, which got no benefit whatever from this bonus. The Minister of Agriculture (Mr. Weir) took great credit to himself last year in connection with this wheat bonus. He said he came down here and told the Prime Minister that this was to be a compensating adjustment for the tariff, and prevailed upon the Prime Minister to give him the bonus. This was to be compensation to the farmers for the increased prices they would have to pay on their purchases on account of the tariff. I want to know if the Minister of Agriculture is using his persuasive powers on the Prime Minister again to get a bonus. We do not want a bonus on wheat. Of course I am glad to see these people get the higher price; we know that in the north the people had a production of forty and fifty bushels an acre and some of them received $2 or $2.50 an acre through the bonus. We do not begrudge them that, but we say that we in the south who had the same trouble putting in our crops and got nothing are also entitled to something. We believe this bonus should have been so much per acre seeded to wheat. It came just at the time when this could have been done without any trouble whatever. The census had just been taken; every farmer had stated the amount of land that he had in wheat; all the government had to do was to take the acreage and say: it is going to be fifty cents or $1 an acre. But instead, the principle was invoked: "he that hath, shall be given, and he that hath not, from him shall be taken even that which he hath." It is the same policy carried out by this government all the way through—the man who is rich gets more; the poor man is made poorer. Here is the man with a crop getting $1.50, $2, $2.50 an acre, and the man without a crop having to pay more for his seed.

Mr. LOUCKS: What about the relief they got ?

Mr. DONNELLY: I have just spoken about that, for every nickel of relief we had to sign on the dotted line saying we are going to pay it back. Did you sign on the dotted line for the five cents a bushel bonus, and promise to pay it back? I did not get any of that relief because I did not have any crop, but I had to pay five cents a bushel more for my seed this year.

All the money I have is invested in land in western Canada, and that land today is not worth anything. Our Prime Minister and the government have not the farmer's viewpoint, not one of them. The Prime Minister has the viewpoint of the industrialist and the capitalist. I am anxious that he should see something of the farmer's viewpoint. If he would do a little farming he would know something of the farmer's difficulties. I will make him an offer. I have four half sections of land, 320 acres each. Two of them are encumbered and two of them are clear. I want to give one of these half sections to the Prime Minister, provided he will farm it for the next five years. I do not say he has to go on the farm himself, but he can have it farmed for the next five years and show each year the return he gets. Farm land is not worth anything today; it is a liability rather than an asset, because you have to pay taxes on it. For the last three years I have not received one dollar by way of return from that $125,000 invested in farm land in western Canada. That is the condition that exists there now. I say to him that if he is going to take this land he should take one of the half sections that is encumbered, because then he will know what the average farmer has to contend with. The average farmer in western Canada has his land encumbered. Let him farm it; let him see what they have to put up with. He can farm it in one of three ways: with oxen, with horses, or with gasoline. I would advise him to go back to the oxen, because if he tries to use gasoline he will have to pay duty on it, and he will find it very expensive. This is just a digression, but I make the offer to the Prime Minister in good faith, and I am willing to turn the land over to him at any time he wants it.

An hon. MEMBER: Oh, oh.

Mr. DONNELLY: Someone over there is talking; I can give him a half section too. There are four of them, and he can have any one of them.

An hon. MEMBER: And make money!

Mr. DONNELLY: Well, you are a better man than I am. I have noticed that people in eastern Canada know more about farming in western Canada than the man who is living there. But I notice, too, that the man who comes from eastern Canada has to spend two or three years in the west before he knows anything at all about farming. The farmers in the west are the most up-to-date in the world, bar none. We do not need anyone from the east to tell us how to farm. We are through with these armchair farmers who go through the country telling the western farmers from the back of an observation car how to farm. All we want is that they get off our backs and give us an even chance. We sell in the markets of the world, and we want to buy as freely as we sell. If they get off our backs and let us do that we will make good. That is the trouble today. Do you know that in western Canada we have been importing, from 1925 to 1930, about $200,000,000 worth of manufactured goods a year from eastern Canada? The duty we have had to pay on these goods is somewhere about 25 per cent. In short, we have been paying 25 per cent more on those goods than we should, and we have been paying that to eastern Canada, an average of $50,000,000 a year. What does that mean? It means that when I go out on the farm and thresh my wheat, I thresh three loads and sell it to the elevator, and it is mine, but the fourth load I have to give to the industrialists of eastern Canada.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, the various phases of farm relief have been so well and so ably covered by the speakers who have preceded me in this section of the house that I will confine my remarks entirely to one feature of what I consider farm relief.

In dealing with a change in the money system I do not for a moment suggest that this will be a cure for all our ills. As long as the world depression remains as it is, as long as world markets are demoralized, as long as Europe remains the armed camp that it is today, as long as the dark shadow of international debts overhangs the world, I know that there is very little that can be done by this parliament or this government to create better markets in Europe. But I do believe that there are some measures of relief that we can introduce here that will at least alleviate the situation to a great extent. I believe that certain changes in our monetary system will give a large measure of relief, particularly to the agricultural industry, and to a lesser de-

gree perhaps to all other lines of business. Twenty-five hundred years ago the great philosopher Aristotle, speaking of money, said that its value was determined by its quantity. If money is scarce, its value is high; if there is a superabundance of money, then it is cheap. The price of commodities, of course, varies conversely to the price of money; when money is dear commodity prices are low, and when money is cheap commodity prices are high. It seems that when one speaks of inflation a lot of timid people become frightened; the average man who is not familiar with the term visualizes a person going to a store with a wheelbarrow full of paper money with which to buy groceries. That is an absurd thought. I know something like that did happen in Germany some years ago, but when some of us in this section of the house suggest the issuing of more money we do not propose for a moment that it should be allowed to get out of control. I think perhaps when we speak of inflation we use the wrong term. The word frequently used by bankers and economists today is reflation. I do not know whether or not that is the proper word, but at any rate it indicates that the process of deflation of our currency has been carried to an extravagant degree. All that is asked by those who wish for a change is that it be brought back to a reasonable level.

Let me give the simple illustration of milk. This commodity may be sold to the public watered to the extent of perhaps twenty-five per cent. I would call that inflated milk. It may be sold just as it comes from the cow; I would call that a proper standard. It may be dehydrated and sold as milk powder; I would call that a condition of deflation. That is the condition of our money today. It has been dehydrated, and we are only asking that it be hydrated or watered back to where it was a few years ago in order to bring about a proper price level. The farmer, as well as the ordinary debtor, who contracted obligations three or four years ago finds himself compelled to pay back today about three hundred per cent of the actual debt, and we suggest that in carrying out this deflation or reflation it should be carefully managed.

After all, what have we in Canada today? A few days ago the Prime Minister (Mr. Bennett) told us that Canada had not been on the gold basis since 1929. As a matter of fact today we have a currency that is managed. The greatest of all the problems facing us in Canada today, it seems to me, and a problem common to the farmer as well as to the business man, is that of debts. The deflation during the last few years has tremendously increased our debts, public as well as private. What are we facing? Today we are on the horns of a dilemma. One possibility is repudiation of those debts, and that is not confined entirely to private debts. If present conditions continue, hundreds of municipalities throughout Canada, and even some provinces, are almost sure to default in their payments in the months to come.

I say we are facing either a repudiation of debts or a reflation of currency to meet that condition. A year or two ago, when some of those in this section of the house suggested certain monetary changes, it was looked upon as bolshevism by some of our orthodox business men and newspapers, but today we find some of those same newspapers getting squarely behind those who advocate that policy. I hold in my hand a copy of the Toronto Saturday Night dated October 1. This is one of the most orthodox publications in Canada, which a few years ago would have poured scorn and ridicule upon any suggested change of this kind. On the front page I find a very excellent article on the money question by John Collingwood Reade. The very heading is arresting; it is:

Liquidation versus Repudiation

Post war conditions call for new financial machinery—Consumption of industry's products must be financed or debt repudiation will follow.

I do not wish to weary the house by quoting extensively from this article, but I do feel that it is worthy of some consideration. This article points out that in dealing with the situation prior to the deflation the United States had two courses open to it in connection with the European debt. They could have accepted goods, the product of European nations, in payment of those debts, or they could have forgiven the debts. There is no possibility of those debts ever being fully paid in gold, and those two courses are open to the United States today. In dealing with the former course, that of accepting goods in payment, the article points out that if the United States had decided to accept goods, those goods could have been distributed to the people of the United States without necessarily affecting their factories at all. It would have given them a larger percentage of goods; a greater quantity of goods would have been delivered to the individual, and the standard of living in the United States would have been increased immeasurably. It points out that a policy of that kind would necessitate certain monetary changes; if the extra amount of goods taken in payment of those debts had been balanced by an increase in currency, those goods could have been distributed to the people of the United States

without disturbing the business equilibrium of the world. In that case there would have been no depression.

I would ask you to call it six o'clock, Mr. Speaker.

Mr. BENNETT: Before you leave the chair, Mr. Speaker, I said that at six o'clock I would speak to hon. members as to the possibility of adjournment tonight. It is quite clear that there is no likelihood of adjourning tonight, so with the consent of the house I would like to move that when the house adjourns it stand adjourned until eleven o'clock tomorrow, Saturday morning. That is the best we can do.

Mr. MACKENZIE KING: I may say to the Prime Minister that, speaking for the official opposition, so far as we are concerned we will become a party to any agreement the right hon. gentleman may make with other individuals or groups in the house. If the Prime Minister cannot make an agreement with the other individuals or groups who do not belong to the official opposition, I think his suggestion that we meet in the morning would be best adopted.

Mr. IRVINE: We did not hear what the Prime Minister had to say.

Mr. BENNETT: I said that apparently it would be impossible to conclude the business of the house this evening so as to adjourn tonight, and that with the consent of the house I would move that when the house adjourns this evening it stand adjourned until eleven o'clock tomorrow morning. The right hon. leader of the opposition suggests that as far as his party is concerned, the official opposition are prepared to expedite business so that we may adjourn this evening, and he suggested also that I communicate with hon. gentlemen in the far corner. I should be glad, with the consent of Mr. Speaker, to have an expression of their views.

Mr. CAMPBELL: So far as I know there is only one other member who wishes to speak, and he has indicated that he will take only a few minutes.

Mr. BENNETT: I understand that another hon. member desires to speak, the hon. member for Winnipeg North Centre (Mr. Woodsworth).

Mr. SPEAKMAN: Yes.

Mr. BENNETT: I do not think he has spoken on supply. Perhaps under the circumstances it will be better if I do not make the motion now but wait until after we resume at eight o'clock.

Mr. LAPOINTE: I think the hon. member will be here tonight.

Mr. CAMPBELL: As far as I am aware, no other hon. member in this section of the house desires to speak except the hon. member for Winnipeg North Centre.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. CAMPBELL: When the house rose at six o'clock I was dealing with the money question and was referring to an article in the Toronto Saturday Night of October 1 last. Dealing with the question of how the United States might have collected their international debts, the article states:

> It would be necessary for the American people to raise their standard by a very considerable amount if they are to be enabled to absorb the commodities tendered in payment of debt and still purchase the output of their own manufacturers.
>
> The financial system, as at present constituted, is unable to finance the distribution of the enormous import of goods and services to which the existence of accrued debt entitles the American people without demoralizing the market for domestic output.

It goes on to say:

> Repudiation is inevitable if one of the other alternatives is not adopted.

Then it says:

> The proper manner of dealing with the world situation as it touches the maldistribution of equities and purchasing power is to institute a pragram of financial reorganization throughout the world such that the basis for money is provided by goods seeking a market, and that the necessity of competing for gold by bonusing exports is removed.

Then it comes to what I think is the all-important part of the whole article. It states:

> A superabundance of goods should be an advantage, not an embarrassment. If they are accompanied by the money with which to buy them they are an advantage.

The amendment which was moved by the hon. member for Wetaskiwin (Mr. Irvine) and which was ruled out of order, dealt with this very question and pointed out that in our opinion money should be based on the actual amount of goods to be distributed, because, after all, that is the only reason we need money—to distribute goods.

To come back to the article, it further states—and this is referring to Canada:

> The fact is that we do not really need to borrow anything. In the last analysis, capital is an accumulation of labour, skill and resources. All four of these are already a drug on the Canadian market.

The concluding paragraph of the article sums up the situation in this way:

A new basis for the creation and distribution of money other than by gold accretions or the manufacture of new liabilities in exchange for bank credit can accomplish this, and it must be accompanied by a ready acceptance of goods so that it does not exhibit the evils of an uncontrolled inflation.

Again I would draw the attention of the house to the fact that this is not from a labour paper; it is not written by an ordinary theorist. It is on the front page of the Toronto Saturday Night.

Mr. BENNETT: Yes, but it is not an editorial. It is a contributed article.

Mr. CAMPBELL: I did not say that it was an editorial. The very fact that a journal like the Toronto Saturday Night gives the article such a prominent place, shows that if it does not reflect the actual opinion of the editor, it certainly is accepted at least in a measure, because if it came directly into conflict with the opinions of the editor it certainly would not be given such a prominent place, if indeed it would find publication at all.

May I refer to an editorial in the Leader-Post of Regina of November 8, 1932. This is a paper that has been orthodox on the money question, and until very recently no such editorial would have appeared in it. The editorial is headed:

Australia Reports Recovery

Australia, whose economic position a few months ago was generally regarded as much more serious than that of Canada, appears to be making a surprisingly rapid return toward recovery. Public expenses have been reduced, loans have been converted at lower interest rates, the people have acquired a fresh degree of confidence, and, what is most important of all, trade is reported to be reviving and unemployment to be decreasing.

The editorial goes on to quote from a recent report of the Canadian trade commissioner at Melbourne. The report, in part, reads:

Business conditions generally continue to improve. During the last four weeks unemployment figures have declined and increased activity in many lines indicates that the peak of the depression has probably been passed and that improvement may now be expected. The recent advance in price of primary products has formed the basis for growing confidence among traders which has been reflected in increased importations. Wheat prices have advanced materially and at present levels efficient operations can be conducted by the growers without loss.

This is a condition entirely foreign to the wheat growers in Canada at the present time. The quotation from the report continues:

[Mr. Campbell.]

With a rise in prices growers have been selling their stored wheat very freely, in many cases three shillings net per bushel at country railway stations, plus the government bonus of four and one-half pence (both in Australian currency).

The article goes on to point out:

Three shillings are worth about seventy-five cents in the payment of debts, taxes, etc., within the Commonwealth of Australia.

It says:

The height of prices of Australian primary products is due to the fact of the depreciated Australian pound.

Dealing with the credit of Australia, which is a factor considered when any monetary reforms are suggested, it states:

A conversion bond issue put out by New South Wales, nearly £13,000,000 was oversubscribed within half an hour although the rate was only slightly over three and a half per cent.

It quotes an article sent out by the Empire Press Union dealing with the financial situation in Australia, headed: "The Great Recovery." I am not going to weary the house by quoting the article, but the headline itself is significant. In part, the article says:

Revenue continues to increase and the expenditure is being kept down.

Then it goes on to say:

Australia has paid up on the due dates to the last penny.

Then, dealing again with general industrial conditions in the Commonwealth of Australia, it says:

The commonwealth now boasts an industrial harmony and willingness that it would be hard to match in any other English speaking country.

The editorial further quotes from Professor Copland of the Melbourne School of Commerce, who, it says, is one of the government's expert advisers. He said:

Australia has been saved by a threefold policy:

1. Depreciation of currency in terms of gold. The exchange rate is now 25 per cent off sterling and 60 per cent off gold.

May I digress here to point out that if we were 60 per cent off gold, our dollar would be worth only forty cents in gold. If our dollar were worth only forty cents in gold, wheat at the head of the lakes today ought to be worth about ninety cents a bushel in the depreciated Canadian currency. Of course if other commodities were to rise in proportion, it might be argued, as it frequently is, that the farmer would not be any better off; but the debt-paying ability of the bushel would under these conditions be more than doubled. Moreover, that the increase in

money in circulation would certainly have a stimulating effect on business will not, I think, be denied by anyone.

Professor Copland gives as the second factor which has helped to save Australia, expansion of credit, and third, cutting of costs. The article goes on to point out that Australia has had a refunding of her loans and that the interest on the internal government debt and on mortgages was reduced through a voluntary conversion by 22½ per cent. Dealing with the trade figures for July and August it says that the commonwealth receipts exceeded expenditures by £2,141,000. The article goes on to draw a comparison between conditions in Australia and in Canada, and says that we have attempted to stay on the gold standard in this country while Australia frankly and fearlessly went off the gold standard. In conclusion it says:

Business and trade in Australia are coming to life as a result of the policies put into operation. This does not appear to be happening in Canada. Have we been following the wrong path?

With regard to the government's recent issue of $35,000,000 of paper money, which is inflation to a small degree, and which I think is welcomed by those of us who believe in that policy, I would point out that this action of the government has been well received by business men throughout the country. There was a suspicion in many circles that orthodox business men would be opposed to it, but they seem to have received it quite well. I hold in my hand a copy of the Financial Times of Montreal, dated November 11, again a paper which is looked upon as the mouthpiece of what we ordinarily call the big interests, the financial and industrial interests of Canada; yet right on the front page, played up prominently, is an article dealing very sympathetically with the government's action. The heading itself is arresting. It says: "Broad benefits expected from money policy. Higher prices on exports should help farmers, miners and other exporters." The article goes on to say:

The most important development in Canadian business in a considerable period has been the announcement from Ottawa that the government has adopted a policy of easier money—or modified inflation—to relieve the economic strain and improve prices of primary products marketed abroad. The action of the government will tend to restore the basis of the pacts entered into at the Imperial economic conference, which was considerably upset by subsequent developments in sterling exchange .

The article goes on to enumerate the different industries that will benefit, among which the farming industry is put at the head of the list. It also includes the producers of newsprint, the mining industry, the textile industry, the producers of foodstuffs, and the packers and canners. The article sums up as follows:

Business as a whole should benefit through any increase in purchasing power, and the circulation of a larger amount of money.

It seems to me, therefore, that the country is really ready for some policy of this kind. Of course, I appreciate the difficulty of the government, and I believe that if I were in the office of Prime Minister today and really had it in mind to put into operation such a policy as this, I certainly would want to avoid announcing it to the country in advance, because at once advantage would be taken of it by speculators. I do not know whether the government had some such policy as this in mind when the Prime Minister last year first asked parliament to grant the government extraordinary powers, practically blanket powers, but I for one would be willing to give the government a blank cheque in regard to financial matters, because I quite appreciate the fact that such action must be taken quietly and cannot be preceded by an announcement to the country.

Before I sit down I wish to refer for a moment or two to some remarks that were made by the hon. member for Willow Bunch (Mr. Donnelly) with regard to the operations of the relief commission in Saskatchewan. I do not know what the conditions are in the constituency of Willow Bunch. The hon. member, if I understand him rightly, said that out of a thousand orders issued by the relief commission not one had been correctly filled; that different articles of food had been substituted for those listed in the requisition. I would hesitate to think that the farmers and storekeepers in the constituency of Willow Bunch are so dishonest as to carry on a policy of that kind. I cannot believe it, and I do not think it would be proved on investigation that such conditions actually exist. In some cases a man may have been allowed to substitute raisins or something else which is not permitted by the relief commission for, say, flour, but I think that would be done only in the odd case, and certainly not on a wholesale scale.

My constituency is not in the relief district. We have had good crops in that part of the country, but owing to the influx of four or five thousand settlers from the dry district the relief commission is operating there through two of its officers. I have been working in very close harmony with these men and have had every opportunity to find

out whether or not their work was efficient, whether or not it was honest, whether or not they were earning their money, and I say without fear of successful contradiction that in the thirty years I have lived in western Canada, I have never seen any government organization which has been more efficient or has better justified its existence than the Saskatchewan relief commission.

Some hon. MEMBERS: Hear, hear.

Mr. CAMPBELL: The men representing the Saskatchewan relief commission in my territory are honest, capable and industrious. They are on the job all the time. There are very few justified complaints against the commission from that part of the country. I can also say the same with respect to the higher officials of the relief commission, the general manager and his assistant, at Regina, in so far as I have been able to review their work. So I can hardly think that the condition of affairs represented by the hon. member for Willow Bunch is a true picture of the operations of the relief commission in that part of the country.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to take advantage of this opportunity to call the attention of the house to some conditions which in my judgment are not in the interests of the Canadian people.

The Minister of Labour (Mr. Gordon) seems to think that I always have a grievance. That may be so, but I would submit that it is not a personal grievance. If I had as my clients the Canadian bankers or the Canadian manufacturers or, we will say, the Canadian canners, perhaps I might find myself in a position in which I could give great praise to the government. But I have been trying to represent certain groups in this country which I consider under our system are exploited groups. I wish I could truthfully say with one of the foremost leader of socialism in America, the late Eugene V. Debs:

> While there is a lower class, I am in it.
> While there is a criminal element, I am of it.
> While there is a soul in prison, I am not free.

Or as James Russell Lowell expressed a somewhat similar thought a good many years ago:

> If there breathe on earth a slave,
> Are ye truly free and brave?
> Is true freedom but to break
> Fetters for our own dear sake?
> No! True freedom is to share
> All the chains our brothers wear . . .



Again:

> They are slaves who fear to speak
> For the fallen and the weak;
> They are slaves who dare not be
> In the right with two or three.

So although, like most members of the house, I should like to have the commendation of the majority of the members, I feel that there are certain matters that I must speak of even if I may be criticized as merely a man with a grievance.

First of all, Mr. Speaker, may I venture to congratulate the hon. member for North Waterloo (Mr. Euler) upon the speech he made this afternoon. It seems to reveal a growing consciousness on his part of the seriousness of the problems now confronting us. My only wish would be that the spirit in which he delivered his speech could be more frequently manifested in this house, because it seems to me that beneath the party fight that occupies so much of our time there are aspirations and heart searchings on the part of a great many. I fancy conditions are rapidly becoming so serious it might well be that irrespective of party lines men are willing to give more serious attention to the real problems facing the people.

May I suggest that during the last few weeks of this session we have been witnessing a gradual curtailment of the rights of private members. This is a regular session, and yet the regular order of proceedings has been set aside. We have not had the opportunity of introducing private members' motions. Private members have had no opportunity to introduce bills, despite the fact that certain legislation was much needed. Further than that, the rules with regard to introducing a matter of urgent public importance have been so strictly interpreted that it has been almost impossible for us to introduce anything under that order. In that connection I refer to only one instance, namely that of the Sun Life management. True, there is a certain charge of criminal libel pending, but I submit that since the report of the superintendent of insurance has been tabled in the house, and since many of the figures which have been circulated to the public have been taken from that report, any hon. member should be allowed to discuss the management and the affairs of the Sun Life. I submit that a suit for libel has very little to do with the responsibility of this house towards the management of a great insurance company. Under the circumstances, all we can do is to point out that the government assumes heavy responsibility in refusing to allow public discussion

of the affairs of a company in a position such as that occupied by the Sun Life.

Further than that, the trouble in our penitentiaries has received a great deal of public attention, and many of us would have liked to hear this matter discussed. We are told by the Minister of Justice (Mr. Guthrie) that since there is a departmental investigation in progress it is unnecessary for us to have any further investigation until the departmental investigation has been completed. I submit that decision is not going to satisfy the public. Prisoners are the most helpless of people, because almost every man's mind is set against them. We have been taught to believe that criminals are anti-social and they are placed under such constraint that it is next to impossible for them to vent their grievances It seems to me, therefore, that owing to the fact they are, in a certain sense, wards of society, special protection should be thrown around them by a body such as this House of Commons, and if there is the slightest suspicion of unfair treatment or favoritism there should be the widest possible investigation by an impartial commission. I make these statements merely in passing, because I do not wish to wait another two months before placing my views on record. It seems to me that the troubles in the penitentiaries offer the government a spendid opportunity to investigate not merely the administration of the penitentiaries, but also the whole matter of the treatment of criminals.

Again I point out that under ordinary circumstances a private member has two opportunities of bringing almost any matter before the house. One is afforded on the motion that the Speaker leave the chair for the house to resolve itself into committee of ways and means, and the other on the motion that the Speaker leave the chair for the house to go into committee of supply. The latter is the occasion upon which I am now speaking.

I repeat that owing to rulings of the chair it has been impossible for us to bring matters before the house in such a way as to obtain a full expression of the views of hon. members on any one question. Resolutions have been ruled out of order. We have been able to do only that which we are now doing, namely voice our protests. I cannot understand why a government would take that attitude, unless it is really afraid of the votes of its own supporters. That is the only reason which occurs to my mind. As I have said, I have come to the conclusion that by such rulings the rights of private members are gradually being curtailed.

Another instance—we have been discussing matters of taxation. I shall not attempt to labour this point, but it does seem to me that when tariffs are arranged beforehand, and when they cannot be changed, the business of the house lacks reality. Another and perhaps more serious development which shows how far we are getting away from what most of us have thought to be a democratic form of government, lies in the fact that moneys have recently been loaned, without interest, to a private company. It would seem that repayment may be deferred almost indefinitely. If that action can be taken by the government with regard to one corporation, I suggest it may be taken with regard to others, and it is hard to say just where such a practice may stop. An hon. member suggests we want some of that money. Yes, I do not see why the farmers or the labour men should not have help from the government, if private corporations can get it. Further than that, we must consider the guarantees which have been given to the banks. We have witnessed a very great extension of the principle of government by order in council. Indeed I am not quite sure whether sometimes orders in council were issued until considerable time had elapsed after certain gentleman's agreements had been given. Then, if our grain prices should not recover it is quite possible that the government may have committed itself to a policy which, a few years ago, was described as gambling in grain, and which may be very harmful to the financial structure of the country.

Further, according to the statement of the Prime Minister, Canada's foreign policy cannot be discussed while the situation is under review. That is a very serious matter, because the public generally ought to make its opinions felt before questions are finally decided.

Now I should like to come to the more immediate question of conditions among the unemployed in this country. I do not hesitate to take this opportunity, because I did not finish what I had to say on that matter a few evenings ago. With regard to certain charges which I had passed on to me about conditions in the camp at Riding Mountain, let me say this; both the Minister of Labour (Mr. Gordon) and the Minister of the Interior (Mr. Murphy) read statements and correspondence which would seem to show that the conditions stated do not prevail. Personally I have not since then had the opportunity of investigating the matter. If they do not prevail, I am very glad. I would feel very sorry indeed that I read the letter, if

the conditions stated do not prevail, but I read it in good faith, a letter from a man whom I have known and who I do not think was trying to deceive me. But if I made a mistake in judging him I am very sorry. I did not read it primarily in order to cast any reflection upon the management of the camps, but rather as an instance of the bad conditions under which a great many of our people are living at the present time. But whether or not one particular camp is bad or good, I submit that the government has not answered the statements we made in regard to the far-reaching nature of the prevailing unemployment, and the unsatisfactory policies that prevail with regard to the treatment of the unemployed. The minister advocates the back to the land movement. I agree that that may be a good thing as far as a few individuals are concerned, but after what we have heard from the prairies as to conditions on the land it is obvious that the back to the land movement is no solution of our general unemployment problem.

Further the Prime Minister announced that we are to have a conference to consider the question of unemployment insurance. As the house knows, I have advocated for a great many years, as have my colleagues, unemployment insurance, but frankly I think we have now almost passed the stage when it can be of any great value. With 800,000 unemployed, how can we possibly make provision for them under a contributory unemployment insurance scheme? They are outside of that scheme altogether. I cannot see how with the small numbers of men employed in industry to-day the necessary reserves can be built up. I shall be very glad indeed if some plan can be worked out between the dominion and the provinces under which a scheme of unemployment insurance can be put into operation. But again I say that is no solution of the problem that is going to face hundreds of thousands of our people during this coming winter.

I have no desire to delay the house, or I should have liked to offer a resolution something in these terms:

That all the words after "that" be struck out and the following substituted:

In the opinion of this house the government should take immediate action to provide for the unemployed either suitable work or adequate maintenance.

Mr. IRVINE: May I ask the hon. member a question? If the Dominion government will not assume any responsibility for unemployment insurance, what right have they to decide that it should be contributory?

[Mr. Woodsworth.]

Mr. WOODSWORTH: Well, I think the hon. member would have to ask that of the government. I presume that the announcement meant that the government would assume a certain share of responsibility if matters could be arranged between the governments. I hope it meant that, although I see that some of the papers came out with the announcement next day that the Prime Minister absolutely refused to consider unemployment insurance.

Mr. LAVERGNE: Has the hon. gentleman those figures by provinces, that 800,000?

Mr. WOODSWORTH: No; that was the figure given by the Minister of Labour.

Mr. LAVERGNE: No, that was the number on relief.

Mr. NICHOLSON: Not all workmen.

Mr. WOODSWORTH: No, that 800,000, as I understood the figures, included men, women and children. But I think there is no doubt whatever, according to the statistics given by my colleague from North Winnipeg (Mr. Heaps) and others, which I have checked carefully, that there are at least three quarters of a million unemployed at the present time.

Mr. NICHOLSON: Men, women and children?

Mr. WOODSWORTH: No, men and women who would normally be engaged in work. Since the government has assumed the sole responsibility for dealing with this question, I said the other day that I thought about all we could do at this stage was to try to bring home to the house and to the government the real situation that exists among large numbers of our people.

I received a few weeks ago, from a United Church minister who has a pastorate in one of the suburbs of Winnipeg, a letter from which I should like to read some extracts. He says:

The weather is still mild though there has been much snow and rain recently. We are glad because we do not have to get coal for a few days yet. There is no money in our house but 75 cents in my purse. The secretary of the church has about $50 he got from the ladies' aid a week or so ago. Some of it is needed to buy coal for the church as the company would give us no more on credit. Our bill for last year is still unpaid. I mean the church bill. I am in debt, the church is in debt, and a great many of my people are on relief. Those not on relief have been so reduced that they have little more than an existence. The weather has been wet, cloudy and cold and I have often looked at the men working in the ditches here near the church with pity. The outlook for so many of them seems so hopeless. I wonder if

a great many of them really realize except in a dim way what is happening. A day or two ago on a cold morning preceding a storm of rain and snow about twenty men came to the corner nearest our house to dig a ditch alongside of the road. A fence and tall residence and the church building gave some protection from the north wind. Half of the men at any time were huddled against this fence. You see they are not clothed for this weather and work and they have no spirit to try to keep up heat by working. This work on the roads and ditches is a most wasteful kind of expenditure. So many, many men accomplishing so little. Working three days a week for "relief tickets" and idling most of the time.

Further on he speaks of general conditions.

The school board have sent out a letter to the parents of boys and girls to say that if the fee of $2 per month is not forthcoming from all able to pay that the high school will be closed in the near future. I understand that the fee is not coming in, so we anticipate the worst. This high school has been going about twenty years and does good work. If closed five teachers will be out of a job. I have a boy in grade II, a bright youth, and I do not know just what we shall do.

A movement is afoot to establish some kind of municipal store in town to supply groceries to the unemployed. The merchants don't like this and are protesting.

Again:

The mounties have been very busy rounding up the transients here east of town and at the Canadian Pacific Railway north of here. Motorcycles are constantly on the run. People despise these men. The children call names at them as they pass on the streets and say "Take the yellow off your legs and put it down your backs." One cold night 66 men were turned over to the local police here. The man on duty is a kind fellow and got them some warm floors to sleep on.—except four of them. These had stopped and sat down on the sidewalk apart from the main body. Ten minutes later the policeman found them all four asleep there.

In the face of that about all we can get from the Minister of Labour is that no one need suffer. But these men are suffering. The minister who writes me this letter goes on to give me some individual cases:

Two of the men in the gang referred to were mechanics in the shops. Both about 29 years old, married, with children. They had started with the company at 16 years and never had done any work except at the machinists' bench.

Another man—

—went into the shops at 16 years old, has been there since, a period of thirteen years. He married three years ago, set up house, paying rent, was laid off last April, went at once to live with his father-in-law and stayed till near June. Then he and the family went to the lake where he has a small cottage, and spent the summer. It was cheap living because he has a pass and could come up every few days for groceries. Now he is back with his father-in-law and on "relief." A week ago on Monday when out to talk with the men in the ditch—a common practice of mine—I met Ed. He told me that the company had just begun taking on apprentices at the shops "to take our places" as he expressed it.

Mr. —— is a superior kind of man about 28 years old. Has been with the company since he was fifteen years old. He is married. His wife was a nurse. They have one adopted child. —— has been buying his home and has put all his surplus into it. He was laid off in April last. —— has been getting an odd day's work in Winnipeg and has been able to maintain himself part of the time. When he cannot get a day's work he goes on "relief." He is a good man for the company, spent considerable money in correspondence courses on the air brake to make himself efficient. There is not much prospect of him going back to work for a long time.

Mr. —— is a Scotchman. He was trained as a machinist in Glasgow, came to Canada twenty-one years ago. Has been with the C.N.R. or G.T.P. all this time. He was at the bench first, then was in charge of the apprentices. About the year 1922 he took a job as instructor in the first aid department, thus breaking his time. He was laid off at December 31 last. He has had no work since except a few days at the race track as first aid man. He has a wife and two children. They are thrifty people but have put most of their savings into a house, not a good house. They have had considerable sickness. Mac is now on "relief." He was an elder in our church and at one time superintendent of the Sunday school.

And the Prime Minister meets this situation by quoting from one whom he styles the Man of Galilee, "The poor ye have always with you."

Mr. —— is our best known citizen over a period of fifty years in this district. He was born in Old Kildonan. John became a wealthy man overnight as he had a farm partly within the hands of the townsite of ——. He was called the millionaire. Perhaps he was rated at about $250,000 about twenty years ago or less. John has seven daughters, no boys. They had a good time for several years. Then things began to go wrong. The money was dissipated or never existed. Well, in short the boom was all over and John's land fell to near normal price. Meantime he had lost the —— block in Winnipeg and much other property. When the manager of the Bank of Commerce here about two years ago fleeced about forty residents to the extent of forty or fifty thousand John lost $1,200. He met me that morning, tears in his eyes and said "It finishes me." John had a house rented here in town at $25 a month. The rent went for groceries. The people moved out about a week ago. It is a big house, out of repair and will not likely be taken again. Mr. —— is a teacher in our Sunday school and a good worker of council, has been for about forty years and a member of the school board from the beginning. There are still three girls at home doing nothing. John has no money but he has property—land at —— beach. It is worthless to John. He is now about 66 years old. Suffers from rupture. Works from daylight to dark on his farm to make a living.

And so it goes. I could read to the house a dozen other similar cases.

Mr. COTNAM: Will the hon. gentleman tell us who is the author of that letter?

Mr. WOODSWORTH: No, I will not. I said it was written by a minister of the United church in a suburb near Winnipeg.

Mr. COTNAM: Then the hon. member ought to be ashamed of himself for reading something the author of which he cannot tell.

Mr. WOODSWORTH: The hon. gentleman may have his own opinion in that regard. I am reading certain extracts from this letter because I think they serve to bring home to the house the actual conditions which exist in my part of the country. Personally I could give scores if not hundreds of similar instances.

An hon. MEMBER: Give them.

Mr. WOODSWORTH: No, I am not going to give them. Almost the entire district around—

Mr. COTNAM: I rise to a point of order. Is it customary for an hon. member of this house to read extracts from a letter the author of which he refuses to give. I should like a ruling on that point.

Mr. DEPUTY SPEAKER: I think the hon. member should either give the name or take personal responsibility for the facts stated.

Mr. WOODSWORTH: I am quite willing to take responsibility for the statements I have read. It seems very strange that with these conditions prevalent the Prime Minister can have the effrontery to quote scripture. He says, "The poor ye have always with you," as though the Man of Nazareth could be possibly conceived as condoning our indifference to the welfare of our fellow men. Since the Prime Minister has set the precedent perhaps I might take the liberty of quoting a passage or two of scripture:

> Woe unto you also, ye lawyers!

The reference, of course, is to ecclesiastical lawyers, but since the Prime Minister has undertaken to interpret scripture perhaps he might be included in that class.

> Woe unto you also, ye lawyers! for ye lade men with burdens grievous to be borne, and ye yourselves touch not the burdens with one of your fingers.

Mr. GORDON: What about the false prophets?

Mr. WOODSWORTH: Yes, there is also a good deal to be said about false prophets. If the hon. gentleman cares to know it, the author of that last passage is Luke. May I quote the next passage, in all seriousness:

> For I was an hungred, and ye gave me no meat; I was thirsty, and ye gave me no drink; I was a stranger, and ye took me not in; naked, and ye clothed me not; sick, and in prison, and ye visited me not. . . . Inasmuch as ye did it not to one of these least, ye did it not to me.

Mr. COTNAM: How about the next part?

Mr. WOODSWORTH: There are certain gentlemen who think this is a matter for great levity. I think it is a time for common sense. I believe it is time to consider the very foundations of this civilization which we commonly call Christian. There are those who seem to think that any discussion of actual existing affairs is an attempt to wreck our civilization. I venture to say that it is the only possible way in which we can save our civilization. Before now I have quoted in this house that old favourite passage from James Russell Lowell, which I venture to quote again tonight:

> . . . Think ye that building shall endure
> Which shelters the noble and crushes the poor?

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: You think that may be met with derision? Very well. I am firmly convinced, Mr. Speaker, that it is quite within the range of possibility that if this thing goes on very much longer a great many of us will suffer very greatly indeed because of the fact that we have neglected those in our community who today are suffering. I wish hon. gentlemen opposite could understand that I am not merely censuring one government or another. I wish they could understand that tonight I am not thinking so much in terms of politics as I am in terms of the needs of these people. Hon. gentlemen do not seem able to comprehend that point of view. I urge that we each have our responsibility. There is not one of us who would be sleeping in as good a bed, or eating as good food, or going on with our business as easily as we do, if we took seriously some of these ethical teachings which I have ventured to quote in the house tonight. I think the time is coming when if we refuse to do these things because of higher motives we shall be forced to do them because of the effect of the economic laws which are working out a new type of life.

Mr. MORAND: Who has refused them?

Mr. WOODSWORTH: An hon. gentleman asks: "Who has refused them?" I say

the fact is that there are hundreds of thousands of people who are not able to live a decent, normal life. We ask parliament to take some responsibility in this matter.

Mr. MORAND: They are taking it.

Mr. WOODSWORTH: Some one speaking on behalf of the government says that the government are taking responsibility. They are, in form, taking responsibility, and I would not say a word in reproach if they were meeting fully the needs, but in my judgment the measures that they have adopted are not meeting the needs. To be perfectly frank, I doubt very much whether under the existing competitive system they can meet the needs. That is why some of us look forward to a radical and complete change in our whole economic system. However, I take it for granted for the moment that the present economic system is equal to meeting the needs. This seems to be the prevalent impression in the house. On that ground I charge that our present policies are not meeting the needs.

The needs of the people should have prior consideration. You may call that mere demagogy, if you like, but, as I have said ever since I entered public life, when the profits of shareholders or the interests of big business come into conflict with the needs of men, women and children, then I have urged that the needs of men, women and children should have priority. I know that is considered to be a very extreme doctrine, but I firmly believe in it.

Mr. MORAND: Everybody believes in it.

Mr. WOODSWORTH: We are not putting it into practice. If we were we would not have hundreds of our young people walking the street without any chance of continuing their education, some of them not knowing where the next meal is to come from; we would not have thousands of people in the jungles as we have today, herded together under conditions not even sanitary, and wholly unsatisfactory from the point of view of the standards of good citizenship; we would not have the riots such as have occurred during the last few weeks in a number of our western cities. These men who have been rioting, or the majority of them, were until a few years ago good workmen. If we go on in this way it will not be very long before their spirit will be broken and we shall have a large group of unemployable people and a considerable number of criminals. I may be right or I may be wrong, but if I think that way, surely I am under an obligation to state my thoughts as forcibly as I can.

The other day the Prime Minister took the standpoint of property and property rights, and I feel it requires some hammering to get the other point of view effectively before the public. He said:

> We believe that the honest efforts of man should be rewarded. Since when has it become a crime to acquire property? The initiative of genius should be rewarded.

That is his defence of our present economic arrangements, but I suggest to you, Mr. Speaker, that the ordinary citizen is not having his honest efforts rewarded; he is not having a chance these days even to work. He has taken his full share in the building up of this country, he has worked upon our railroads, in our lumber camps and in our mines; he has done his fair share of the hard work, and yet when we reach a depression he is laid aside and has no chance of receiving a reward for his honest efforts. The Prime Minister asked: "Since when has it become a crime to acquire property?" My submission is that the vast majority of the people on relief, and many more in a desperate condition of anxiety, have no chance of acquiring property. Indeed they have been forced to watch their homes slip away from them; they have had no chance to keep even the little property they have acquired. Why should it be right for a wealthy man to be protected by the government in his possession of property while the poor man receives no assistance, or very little, when his property is in danger? It is all very well to talk about the initiative of genius being rewarded, but let me point out to the house that there are hundreds of young people today who have no opportunity to develop their initiative.

I was talking with a conductor the other day and he told me that he wished I could find some job for his girl. He said that she had been trained as a school teacher, that he had given her the best chance possible, but now she was at home and if she remained there much longer she would become absolutely discouraged. He said that as long as he had a roof over his head she would not suffer hunger. The position of this girl is that of thousands of other young people who have been prepared to enter the professions. Many, though, have not the shelter of a parental roof.

I think of a young man in my home city whom I met only a few weeks ago. Two years ago he graduated from a university in civil engineering. He had always been willing to

undertake any kind of work; as a matter of fact he had gone out to do unskilled labour in a foundry, but the depression having become more severe he was turned out of even that job. His father had worked hard for many years to give him a chance at a college education. The father was a poor workingman and could not afford to support his son in idleness, and this boy had drifted around doing casual jobs, even thinking of whether or not he should commit suicide. At a matter of fact the only thing that saved him was a chance to get a position in Camp Borden which lasted two or three months. That offered relief for the time being and he took it because it tided him over until the spring time. He told me that almost the entire membership of his graduating class were in a similar position to that in which he found himself. If we really believed that the interests of the people should take priority over property rights, then we would immediately take such steps as would provide the unemployed either with suitable work or with adequate maintenance.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I shall endeavour to make my remarks very brief. During the course of this session I have covered in the main some of the activities of the various governments throughout Canada directed toward taking care of the situation which exists in our country, and I have spread upon the record, in so far as the departments of government can collect information, the situation with which this government is endeavouring so earnestly to cope. I have listened to the addresses made in the house, and while I do not think we should complain about the descriptive phrases and at times almost extreme language which has been used, it has occurred to me very frequently that perhaps the addresses would have been more effective and more helpful if hon. members had taken the trouble to inquire from the departments of government and thus get a more complete picture of the situation as reflected in dependable governmental sources, rather than base their remarks upon fragmentary information as disclosed in letters and newspaper clippings which have been so frequently resorted to.

I was considerably disappointed when I listened to the criticism of the hon. member for North Battleford (Mr. McIntosh), and I believe also the hon. member for Battle River (Mr. Spencer), in connection with the administration of the lands owned in part by the soldier settlement board. As the house knows, a complete reorganization of that department was effected some eighteen months ago. I say with a great deal of confidence that the reorganized force of that department is very efficient and is carrying on its work in a manner that, I believe, commends itself to the great majority of the settlers under its control.

The hon. member for North Battleford made some startling statements, statements that distressed me greatly, with respect to two or three settlers in his locality and with regard to the efforts made by the Saskatchewan government, with a contribution from this government, toward returning to the land people who had previously had agricultural experience, who expressed a desire to return to the land and who were then receiving direct relief in the cities. My mind, however, was relieved and my anxiety in large measure dispelled when I found, after the interrogation of the hon. member for North Battleford by the Minister of Railways and Canals (Mr. Manion), that the hon. member for North Battleford, having made those statements, in order to prove them and to hammer them home in the way that probably only he could do, proceeded to read from a newspaper, owned and edited by him, a report made on the cases by himself. During my business life I have had some acquaintance with the proper method of proving a case, and if his method is a proper one, then I suggest to the hon. member for North Battleford that I would not have a chance at all against such an argument as he advanced. Can anyone imagine a man standing in the House of Commons, criticizing what I believe to be a very efficient department of government, a department that is doing a great work in Canada, and particularly at a time like this, making charges such as he made, and then attempting to prove them by reading his own report in his own newspaper? I can say only that my anxiety in the matter was at once dispelled. In order that the house may not labour under any misapprehension with respect to the attitude of the department in regard to not only the soldier settlers but all the settlers under the jurisdiction of the soldier settlement board, let me say that since this government came into power, of more than 20,000 settlers on lands in part owned by the government—and I say that because the settlers have an equity in those lands—in respect of only three-tenths of one per cent have the government felt they should take some action in order to protect the equity of the crown in their holdings.

Just one word more with respect to the situation at Lloydminster referred to by the hon. member. An organization was formed there among the soldier settlers; they com-

municated with me and they sent out rather an alarming circular as to what attitude they intended to adopt with respect to discharging their obligations to the crown. But when they met, there apparently was sound sense among most of the settlers, and those who organized the union were not able to put across the sentiments expressed in the circular. We received from this union a report of the meeting, and the suggestions in it are almost identical with the policy that has been followed by the soldier settlement board since this government came into power. The director of soldier settlement is constantly moving from coast to coast interviewing the field staff in connection with the work, and with reference to the oustanding case brought forward by the hon. member for North Battleford, the director instructed his field superintendent at Edmonton to go down at once to that locality and investigate it. Whom does the house suppose he took with him? None other than the hon. member for North Battleford. The superintendent took him right down to that settler and let him investigate the condition for himself. He knew the arrangement at that time and after seeing the condition for himself, he drove home with the superintendent and did not have a single word of criticism to offer. Yet he spreads that story upon the record here for the edification of hon. members, which record read by the uninformed would, if not contradicted, do great injury to the work being carried on by this department.

Within the time allotted to me it would be utterly impossible to cover the various criticisms of the government that have been made from the other side of the house. The colonization at home scheme that I in my innocence thought would meet with the approval of the people of this country does not seem to commend itself to some hon. members on the other side. I have listened to speeches by some western members and I know from my own knowledge that certain of the pronouncements made in this chamber by a number of representatives of western Canada—not all of them by any means—have resulted in those who heretofore had confidence in the financial stability of the western provinces, withdrawing their support from them, selling the bonds of those provinces and investing the proceeds in other securities. I put it to those members from western Canada who day in and day out seem to take a great delight in condemning their own provincial governments, condemning their own country, condemning the people in it—because painting pictures such as they paint is the worst sort of condemnation they can offer of their own community and province: Can they go home to their people and be happy in the thought that they have stood up in this chamber and spread upon the record a picture of conditions in their own part of the country calculated only to condemn it in the eyes of anyone outside those provinces? I offer the suggestion that that sort of thing should stop. I am not unacquainted with western Canada. I was in the west for a considerable period of time, long before the arrival there of some of the hon. members who have talked so earnestly, or at least so loudly, about conditions in those provinces, and I still have many acquaintances throughout that part of Canada. I do not hold any such views of western Canada as do those members. I think I can go out there now and meet many thousands of farmers who of course are not getting the prices we would like to see them get for their produce. That is most lamentable, and it is something everyone in the house, I am sure, will do everything possible to try to correct. But I know thousands upon thousands of western farmers are absolutely firm in their belief that by accepting this temporary condition, and by exhibiting that courage which they in common with the other peoples of Canada so abundantly possess, they will overcome the present depression, and western Canada will again be prosperous and rightfully styled the golden west.

We have heard what perhaps I might call strange doctrines preached at this time, but that is nothing new in the history of the world. Anyone who has taken the time and had the opportunity to review the past must have found that the great writers of those days wrote just as learnedly about the difficulties besetting the world then as the writers of to-day. Times of general depression always bring into bold relief new corrective ideas, and at times permit people to offer as a corrective an extremity of view to which in my humble opinion we should not give too much heed, because in any situation extremity of view and extravagance of statement are not helpful.

We find some people, for instance, suggesting that there should be shorter hours of labour, by which they claim labour would be better distributed. I am not going to quarrel seriously with that. I would not mind myself if some of the duties I am trying to discharge were divided up and someone else shouldered some of them for a while. I think it is fair to say that if it were possible to cut down the hours of labour and divide up the work to the point where labour sufficient to keep a man's body and mind in good condition were available it would probably be a good thing

But on the one hand we are highly industrialized and on the other, an agricultural country and a producer of raw products. There are other countries just as highly industrialized as ours which we have to meet in competition in the markets of the world. If it is still to maintain its standard of living, what possible chance has Canada, acting alone in reducing the hours of labour, of competing in the markets of the world with the manufacturers of other countries? The thing is so simple that it does not admit of argument The situation was very well put in the British House of Commons on the 20th of October last by Sir Henry Batterton the Minister of Labour, where he said:

> Experience shows that an international convention regulating hours of labour will not be ratified by the countries which are industrially important unless it can be so framed as to make provision for the very real difficulties that must be encountered in its practical application. His Majesty's government, therefore, while favouring a full examination of the problem of reducing hours of work without reducing the standard of living of the wage-earning population, have opposed and will continue to oppose any attempt to improvise a convention which evades the difficulties instead of solving them. Such a convention will be of no effect save to cause friction and misunderstanding and to delay the solution of the problem with which it professes to deal.

If by international action such a thing could be brought about, I do not think there is a shadow of doubt that this government and this country would be found supporting it.

It has also been suggested—and I listened very carefully to the addresses made on this subject—that we should inflate our currency. I am not going to offer much on that subject, because frankly I feel that while I can build up a theory on both sides I am not sure that either of them is sound. Quotations from almost every known writer on economics have been read in this house, but I believe I am sufficiently well acquainted with the writers on economic subjects and their works to say that I could take a dozen of the foremost authorities on the subject and find half a dozen on the one side and half a dozen on the other. I have no doubt that in the other legislative halls of the world the pronouncements on this subject dealt with by the hon. member for Macleod (Mr. Coote) are being proclaimed with a solemnity which ought to carry weight in those chambers. I know this, that there are many things that might be said in favour of the view which has been put forward. At the moment we do not think it desirable—I am speaking of the government— to inflate the currency of this country.

The hon. member for North Waterloo (Mr. Euler), who gave such an interesting address this afternoon, with his usual skill and care suggested—I took his words down and I noticed the flirtatious look that he gave to his left when he said it—

Mr. EULER: Order. I would ask, Mr. Speaker, whether that is parliamentary language.

Mr. GORDON: He said that there should be a reasonable and controlled degree of inflation. That is a very subtle description. I suggest to the hon. member that I would almost be able to subscribe to it if he would leave out the word "controlled." If my experience in business means anything, just start to give anything away and let the impression go abroad that the well will never run dry, and you will have a great deal of difficulty in controlling the importunings of those who would seek to dip into it.

Mr. EULER: Does my hon. friend suggest that it should be uncontrolled?

Mr. GORDON: Not at all.

Mr. MACKENZIE KING: I was wondering if the minister was speaking out of his experience with reference to the blank cheque.

Mr. GORDON: I congratulate the right hon. gentleman for his very valuable contribution to the debate.

I have listened to another great grievance which has been commented upon from time to time in reference to the great corporations of this country—private corporations, but still great—which from time to time split their stock and probably get an authorized increase in their capaitalization. I am sure I made reference to what my idea of such a thing was when I presented to the house the report of the investigation into the Beauharnois project. In substance I said then that every dollar added to the capital cost of the development of any industry or national resource meant that the product of that industry or resource would be increased in cost to the consumer to the extent of the interest required to carry that additional charge, and my remarks brought forth a certain amount of applause from those who sit to the furthest left of the Speaker. Now I offer this as a suggestion. I hear from many members opposite about the iniquity of watered stock in private corporations, and I am in thorough agreement with those who advance the argument respecting watered stock. But, I ask, what is the difference in principle between private corporations watering their stock and the country watering its currency? Hon. members who would condemn the private corporation will commend the government

for doing the same thing in principle. They are willing to approbate and reprobate in the same breadth. I may be wrong, but I can see no difference in principle.

Mr. IRVINE: The hon. gentleman is quite wrong in his interpretation of what other people are discussing.

Mr. GORDON: Perhaps I am. Then, there is a class of people in Canada concerning which no mention has been made, so far as I know, by any of the speakers who at this time have condemned the government's action. I have reference to the type of man who is shouldering great responsibilities in providing for his wife and family, the man who, unlike many others who during the past ten years attempted to hitch his bronco to the financial cart for the wildest ride in history, has often denied himself the necessities of life in order that he might set aside a fund in the form of government bonds, an annuity or otherwise to provide for his old age or against misadventure or death in the interests of those for whom he may be responsible. There are many people in Canada such as I have described, but I have not heard one word about them. A number of members are flirting with ideas which have been projected, but with which I did not think they would be in entire accord. I venture to hazard the opinion that when the class of persons to which I have referred read of the advanced socialization suggested by some hon. members, and hear of the state undertaking to provide this, that and the other thing, they will wonder: "What was the use of it all? Why should I have tried to live a disciplined life? Why should I have tried to scrape and save to provide against the future and to give my family a fair chance to get along in life?" Those are the people who have not had consideration in this chamber, and I think it is high time they had. We should have at least some consideration for people of that type.

Mr. KENNEDY (Peace River): What is the difference between one who has put his savings into government bonds and one who has invested in a farm?

Mr. GORDON: The government has been earnestly endeavouring to see that those who require relief are given it. I should like very shortly to spread on the record what the government has endeavoured to do since this situation developed. I do not wish to dwell upon the facts, but would begin by saying that undoubtedly Saskatchewan has had a very difficult time. There was a time when this government, because of successive crop failures in that province, was providing sustenance for upwards of 300,000 people. There was no hesitancy about dealing with that situation. The government, realizing its responsibility, took hold of it promptly and spent huge sums of money, because such expenditures were necessary in order that those living in the stricken areas would have a chance either to move somewhere else or to try again. This government did not hesitate to accept its burden and to endeavour to discharge what it considered to be its responsibility.

The complaint has been made and this government has been condemned because in the province of Saskatchewan notes were taken for relief. In the first place, let me say that the federal government had nothing to do with the matter; but I should like to add that I am not condemning the Saskatchewan relief commission for its action, for the very obvious reason that the people they were helping were not indigents, in the true sense of the word the people who were the victims of that great tragedy are sturdy, wholesome, courageous Canadians, people who are not accustomed to taking money from governments, or from anybody else, without repaying. I cannot tell how many, but at least a great many of them said, "Here are our notes; we will pay you this money back." In face of that, what could the Saskatchewan relief commission do? Although reports are not available, I am told that many of those people are already making provision for retirement of advances. I can see nothing in that transaction concerning which the Saskatchewan relief commission, the government of that province or this government, should be condemned.

Throughout Canada appeals were made to this government the substance of which were that the depression was general, and that it had cast a great burden upon the provinces—not such a burden, I suggest, as would take it out of the ordinary rule that provinces and municipalities have a primary responsibility; but there was such a general need that this government felt, and I think properly, that they should contribute to the provinces according to the need. What has the government done? In the four western provinces, either by way of direct non-recoverable advances or in recoverable loans, the Dominion government has supplied the sum of $73,844,130.98. And this very day, when the government was being condemned by the hon. member for Willow Bunch, in a speech that was

delivered in perhaps as extravagant a style as I ever listened to, the province in which he lives is asking for further assistance in financing its affairs, and its application is under consideration by this government.

Mr. MacDOUGALL: He voted against it.

Mr. GORDON: For all of Canada this government has provided the sum $115,631,733.80 up to date for the purpose of tiding the provinces, the municipalities and the people generally over this trying period. That money does not come from people who have not got it. The tribute must be levied upon every Canadian citizen. It is those who have who will contribute that money, not those who have not. And I suggest to those who would criticize that that is no mean contribution; that this government might easily be criticized for having pledged the credit of the state in too large an amount. But as far as the government is concerned it is ready to meet any criticism of that sort.

I could enlarge upon this picture and give the details of how this money was distributed. We know from reports that come in weekly from sources throughout Canada that the giving of this help to the provinces, to the municipalities, and through them to the individual, has not created, as was suggested by the hon. member for Winnipeg North Centre (Mr. Woodsworth), the fear that the people will not know where their next meal is coming from. Not at all. Because as far as this government is concerned, as I have before stated in this house, we will continue to see that the people of this country will not suffer for fuel and food and the necessities of life. And while we are doing it I suggest to all hon. members of this house, regardless of their political persuasion, that when they go home and meet conditions that are perhaps not as they would like them to be, they should not be content to say to their constituents: "If you are not getting along very well, blame it on those terrible Tories!" That is not helpful. Let every hon. member go to his constituency as a Canadian, as a lover of his fellow man, as a lover of his country, and say to his people: "The government, the state, is assuming a tremendous responsibility. The state is willing to continue to assume it, but you as an individual have a duty to perform to yourself, to your family, to your community, to your country. Do not lose the opportunity; do anything you can to help, because individual effort will help probably more than any other effort that can be put forth. That is the right attitude, the attitude which ultimately will prevail in this country, in spite of the speeches that we have listened to. I have been through Canada perhaps as thoroughly as any member of this house. I have had to do with its economic complexities from many angles. I know the people of Canada, and I know that they are well aware of the opportunities that are here. But this dislocation of world affairs came down in the year 1929 so rapidly and with such compelling force that even those in the highest places in finance, in industry, in all the various vocations of life, were totally unable to conceive of the immensity of the problem that they would shortly have to face.

I did not intend to take even this much time, but I say in conclusion: Go out from this chamber as Canadians; do not be content to say as partisans that the government has failed, but carry the message to the Canadian people that all is not lost by any means; that we have a great country, and a small population; that we have wonderful assets, tremendous resources for the people to make use of. As far as this government is concerned it will put forth every effort, yes, it will go to its last available dollar to see that those who are unable to take advantage of those opportunities will not suffer during this coming winter.

Mr. IRVINE: May I ask a question? I understood the minister to say that some farmers were willing to do without in order that they might come through. Would he be kind enough to suggest what he thinks the farmer should do without in order to come through?

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

Legislation—House of Commons—To provide for payment to George A. Touche and Company for professional services in connection with the gasoline inquiry, $11,233.

Mr. NEILL: I would like some information about item No. 3. What was this $11,233 for? What services were rendered to that amount?

Mr. RHODES: This is the account of the auditors for their services and disbursements in connection with the gasoline inquiry.

Mr. NEILL: I gathered that from the description, but I want to know what value we got for it. I consider that it is an enormous, an outrageous charge for the services rendered.

Mr. RHODES: All I can say is that the amount was approved by the Clerk of the House in the ordinary course and submitted

for payment, and the charges were of the usual character. The services were rendered by a very reputable company. We have the detailed account rendered.

Mr. NEILL: That is what I would like some information about. They must have a whale of a reputation that enables them to charge $11,233. Did the account as rendered give any indication of how many men were employed, and for what period and at how much per day or per minute?

Mr. RHODES: Yes. I have not the accounts before me, but I must point out to my hon. friend that the account was incurred by a committee of this house, not by the government. I could get the account for my hon. friend if he would like to see it.

Mr. NEILL: I do not think for a moment that when the committee authorized the employment of these gentlemen they had any conception that it would cost any such amount.

Mr. BENNETT: I may say that like the hon. gentleman I thought the amount was very large. But they were instructed by the committee to do the work. The charges were tariff charges. We did not ask that the account be taxed, because you cannot tax it, but we asked that it be moderated. However, the account is here as it stands, and they have complained bitterly that it has not been paid. We have no money with which to pay it without the vote of the house, and that is why it is here.

Mr. NEILL: I would suggest, then, that we do not pass this item and ask them to wait until the spring. They would have had to wait in any case but for this special session.

Mr. BENNETT: They thought provision had been made last session, though as a matter of fact it had not.

Mr. IRVINE: I recall when this account was presented to the committee. What the Prime Minister has said is quite correct. We went into the items and discovered that instead of the account being greater than was customary for such a company, they had given us a very material reduction because of the depression. Of course I objected to the charges myself; I thought they were much more than I would be able to earn in an hour or two, but that was their charge and we could not get any further.

Mr. DONNELLY: This account is for the work of auditors we had looking into the question of gasoline. These men were sent out by the committee; first they went to the British American and the McColl-Frontenac companies, where they spent five or six days. Later they were sent to Sarnia and Halifax to investigate certain definite points for the committee, concerning the price of crude oil, the amount of crude oil taken by the various refineries, the amount of gasoline obtained from the oil, and the prices of the gasoline and of the oil. They spent a good deal of time there and when they came back to the committee we asked them what they had found with regard to the British American and McColl-Frontenac Company. They told us they had found nothing and that they had no report to make, but said they would go back again if the committee wished. I think anyone looking up the records of that inquiry will find that the auditors said they had no report to make in connection with the McColl-Frontenac and Imperial Oil companies. If two experts had been sent out by Imperial Oil to justify a higher price for gasoline they could not have found two men who could have done the work better. These men reported that the Imperial Oil Company were not charging too much; that they were making a profit of only one cent a gallon, and that the price of gasoline in Canada was due to the bootlegging of gasoline from the United States, though I do not know where they got that information. At that time the committee said, "We do not want that sort of information; we want the facts and figures in order to draw our own conclusions." As a matter of fact the auditors brought in their conclusions without the actual figures. After arguing with them for a whole day we did manage to obtain a few figures, and they told us that if we wanted the other information they could figure it out but they did not have it prepared. So far as the committee was concerned the work done by those men was very unsatisfactory, though no doubt it was satisfactory to Imperial Oil and the other companies in general.

A minority report was brought in following that inquiry. The price of gasoline is disturbing the people from one end of Canada to the other; in fact it is disturbing people the world over. The price of gasoline in the world has followed the price of wheat, of coffee, of cotton and of many other things. Standard Oil of New Jersey has been looked upon as the tool of John D. Rockefeller, and for years the people of the United States have tried to pass legislation curtailing its activities and profits. They were not successful, but in 1929 or 1930 mother nature took a hand and more crude oil was produced than the world could consume. Consequently in 1930 or 1931 the price of gasoline fell all over

the world, and continued to fall until crude oil was selling in Oklahoma and Texas, the mid-continent field, for ten cents a barrel. In Canada, however, the price of gasoline was maintained; this is the only country in the world where the price remained high. It was kept up by the tariff and dumping duty imposed by this government. Last year, however, when the United States found that too much crude oil was being produced, they began to curtail production. They said, "We will cut down production and increase the price," and this did work to a certain extent. Finally they woke up and found this to be a world condition, so they called together the oil producers of the world with the idea of cutting down production all over the world in order to keep up prices. Many of these oil producers would not enter into a combine of that kind, with the result that the world price for oil remained low. We find now that the United States are asking for a duty against outside gasoline in order to increase the price in that country.

The government kept up the price of gasoline in Canada by four or five cents a gallon, which made it possible for Imperial Oil to declare a profit of over $17,000,000 last year. Standard Oil of New Jersey owns some sixty-nine per cent of the shares of Imperial Oil of Canada, and that company received some $12,700,000 in profits from the Canadian company. In other words, though they suffered a loss of $4,000,000 on all their operations, Standard Oil of New Jersey were able to declare a profit of $8,000,000; they took $12,700,000 from our Canadian consumers in order to do so. I think it is time we in Canada showed a little of that red blood about which the Minister of Railways spoke, and stopped being cheque signers and dividend payers for our American cousins.

At the time the committe was sitting the Shell Oil Company was bringing in gasoline at four and a fraction cents a gallon at Montreal. They were selling that gasoline wholesale, in tank car lots, for something like 12 cents a gallon. I had a private individual in Ottawa go to the Department of National Revenue to inquire what dumping duty would be put on gasoline coming from Roumania, but we could not get any information. They said: "We will have to find out what their money is worth and what is the exchange rate before we can tell you what the charge will be." The result was that nobody attempted to bring in gasoline from any other part of the world for fear of the exchange being so high that they would not be able to make a profit.

[Mr. Donnelly.]

Not long ago the government saw fit to take off the dump duty on gasoline, but at the same time they passed orders in council stating that gasoline brought in from the United States by an ordinary consumer would have to pay the wholsesale price there plus the excise tax of one cent per gallon on the American gallon, equal to one and a quarter cents on the Canadian gallon. When I asked the Minister of National Revenue about this he said that no orders in council had been passed, that this was something done by the Liberal government. It is true that the Liberal government did pass legislation which fixed a fair market value at whatever the price was in the country of origin, but why did this government pass orders in council stating that the value for duty purposes would be the wholesale price at the refinery plus the American excise tax of one cent per gallon? I understand that American refiners do not pay that one cent tax when gasoline is exported, but the government has said that if the consumer brings in gasoline he must pay the wholesale price, plus that one cent tax. If he cannot make the American refiner take that tax, it must be paid to the customs. This means a one and a quarter cent protection for the oil refineries in the Dominion of Canada. In fact, when added to the other charges, this protection amounts to from one and three quarter cents to two cents per gallon. Our oil companies are enjoying this protection in addition to the regular duty of two and a half cents per gallon. I asked the minister why orders in council were passed providing that the refiners would not have to take into account this one cent excise tax, and he said that no such order was passed. The supplement to appraisers' bulletin number 3897, reads as follows:

> On importations of gasoline to be used bona fide for blending purposes and not for resale as a motor fuel in the condition as imported, the excise tax should not be included in the fair market value for regular or special duty purposes.

Why did the government make that exception with regard to refiners or blenders? Why did they insist that the Canadian consumer who brings in gasoline must pay the one cent excise tax? I submit that this was done in the hope that additional protection would be given to the refineries and the Canadian public would not be the wiser.

Mr. NEILL: The hon. member who has just spoken (Mr. Donnelly) said something about the report itself not being satisfactory, but I shall not attack it upon that ground. These accountants were entitled to make their

own report but it may well be considered uunsatisfactory on the ground that they were asked to obtain certain information which it would seem they did not obtain. I followed the proceedings of this committee very closely, and that is the conclusion I have come to: all they brought back was a whitewashing report which they were not asked for. A large portion of the accountant's report was included bodily in the report of the committee.

I have in my hand a copy of what I assume the Minister of Finance was alluding to when he said he had an itemized account. This account would seem to cover the services not of a man, an individual or a firm, but of a whole army. We have the whole bunch here with the exception perhaps of the furnace man—there is no amount low enough to cover the services of such a man. The first item is for the principal, 58 days and 3 hours at $50 per day, total $2,921.43. Luckily there was only one principal. The next item is for supervisor, 73 days and 2 hours at $35 per day, total $2,565. I am speaking only from memory, but I believe there were some twenty days upon which the committee sat. Of course these men would be working when the committee was not sitting, but seventy-three working days would represent over two months and a half. The itemized account states that the charges are for a seven hour day, and it might be possible that in their integrity and industry these men worked fourteen hours per day. Otherwise I cannot see how they could have worked two and one-half months during the time the committee was sitting. Then we come to first assistants. Apparently there were a number of these, because the account is for 123 days at $25 per day. Then there are second assistants, 43 days at $20 per day; third assistants at $15 per day, and fourth assistants at $10 per day. Unfortunately we did not have many fourth assistants; the account is only for 14 days. The total account amounts to $9,756.46. In addition to this there are out-of-pocket expenses totalling $1,477, but if there are vouchers to cover this amount, I cannot object. The hon. member to my left mentioned something about a price cut owing to the depression but I hate to think what this account would have been if there had not been a depression.

Either the Minister of Finance or the Prime Minister stated that these rates were according to the recognized scale for professional accountants. That is quite interesting, but there is also a recognized scale for doctors and lawyers. If you happen to be dissatisfied with either your lawyer's or doctor's bill and try to dispute it, the first lawyer or doctor to whom you go will tell you that you have not been charged much more than half what you could have been charged under the schedule. When a doctor charges you $2.50 or $5 per visit, you will find that his schedule calls for a charge five times that. These schedules are arranged by these close corporations but they are never enforced, and that fact is to the credit of both the lawyers and the doctors.

Mr. BENNETT: No bargain was made antecedent to the employment being given to this firm. They have rendered an account which was referred to me personally and I could find no way by which it could be reduced. If we do not pass it we will be compelled to grant a fiat and they will recover the money in a court of law.

Mr. NEILL: If that is the case, there is no use in my wasting the time of the committee. At the same time, it is a good thing to uncover these things as they can be remembered the next time we need the services of accountants.

Item agreed to.

Pensions—Pensions to families of members of the Royal Canadian Mounted Police who lost their lives while on duty—further amount required—

To provide for a pension to Mrs. Catharine Mildred Ralls, equal to one-half of her late husband's daily regimental pay and ration allowance, from July 6, 1932, to March 31, 1933, $497.65.

To provide compassionate allowances to Victor, Everett, Doreen and Stanley Ralls, at $30 per annum each, from July 6, 1932, to March 31, 1933, $88.43.

Mr. IRVINE: I should like to direct the attention of the minister to a case which I consider to be very conservative. I brought this to his attention this afternoon by presenting the particulars to his private secretary, but I think I might be permitted just one moment to state the facts of the case I have in mind. This is a veteran of the South African and Flanders wars. He was gassed but was not considered as pensionable. After discharge he was confined to hospital; and the authorities, after investigating his case, undertook to defray his hospital expenses and granted him a compassionate allowance of $20 per month. The point I desire to raise is that this $20 per month has been withdrawn. The communication which I received and which I passed on to the minister was from the president of the Lacombe board of trade, a man who I believe is thoroughly acquainted with the veteran and in whom I have the utmost confidence. I do not know this particular returned soldier; I am relying entirely

upon the evidence of the doctors and also the plea made by the president of the board of trade of the town of Lacombe. I merely wish to urge that the Minister of Pensions reconsider the withdrawal of that compassionate allowance. The man in question is suffering from cancer and I do not think he can last very long. He is unable to work and has no other resources. I do not know whether the minister is listening to me or not, but I hope he will reconsider the discontinuance of that compassionate allowance.

Item agreed to.

Mail subsidies and steamship subventions—British Columbia and Australia and/or China, services between—further amount required, $35,000.

Mr. MACKENZIE (Vancouver): To what companies is this subvention going?

Mr. STEVENS: The British Canadian Steamship Company, Limited. The contract is dated August 15, 1932. It was given by tender.

Mr. MACKENZIE (Vancouver): Is this amount additional to what they are already receiving, or a new item?

Mr. STEVENS: It is to carry on the contract during the period of the winter months.

Mr. NEILL: It is a different contract, is it not?

Mr. STEVENS: Yes.

Mr. NEILL: There has been some agitation in Vancouver—and I presume it has come to the minister's notice—amongst a number of unemployed white seamen. They say: Why cannot these subsidized steamers employ whites exclusively? I have not at the moment the figures before me, but I was astonished to find the numbers of orientals that are employed on these boats running out of Vancouver, all of which are more or less subsidized on this line or carrying mail. I think the number of orientals ran up into several thousands; I think it was 5,000, if my memory serves me aright, although I would not care to guarantee that. They ask in these distressful times if, instead of taking up their crews in China, they could not take on British residents in Canada. Is the minister able to undertake any relief in that regard?

Mr. STEVENS: These ships employ, in regard to all the engine crews, officers and so on, only Canadians or other British subjects. It is only the portion of the crew comprising deck hands and stokers that is Chinese.

[Mr. Irvine.]

Mr. NEILL: That is the majority, of course.

Mr. STEVENS: It is quite a story, and I do not desire to delay the committee by discussing the matter tonight, but if we leave it until the main estimates come up I shall discuss it.

Mr. MACKENZIE (Vancouver): Like the hon. member for Comox-Alberni I am also in receipt of many representations on this point. I should like to urge the government to look into this matter carefully, especially in regard to companies receiving subventions from the government of Canada. In that case I think the entire crew should be white.

Mr. STEVENS: May I say to my hon. friend very frankly that what is asked cannot be done for the money we are giving. The answer is this: It is a case of do it in the way it is being done or not at all.

Item agreed to.

PENSIONS AND NATIONAL HEALTH

Unemployment relief—further amount required, $975,000.

Mr. MACKENZIE (Vancouver): Many hon. members have received representations expressing dissatisfaction, especially in my province of British Columbia, in regard to the scale of rates. May I ask the Minister of Pensions and National Health if a new scale for the winter has been satisfactorily established?

Mr. MacLAREN: The scale on which unemployment relief is granted for pensioners is that the amount of relief to those who are entitled to receive it is not less than the amount that is allowed by the municipality in which the individual resides. The matter is carefully scrutinized, and if an advance is made, especially during the winter, in any municipality, the amount under the department is raised to correspond with that. That is the policy for the winter months.

Mr. RALSTON: When does the minister expect to have the report of the committee in regard to pensions headed by Mr. Justice Rinfret?

Mr. MacLAREN: Not before February. It will be during the remainder of the session.

Mr. MOTHERWELL: May I ask, Mr. Chairman, if under this heading of unemployment relief there can be made any acknowlegment of or reference to the speech of the Minister of Labour recently concluded? His remarks included a very strong indictment of the hon. member for North Battleford with respect to soldier settlement.

The CHAIRMAN: Certainly unemployment relief can be discussed.

Mr. MOTHERWELL: The Minister of Labour made a very wide and slashing attack against the whole western contingent of Liberal members. He accused us of maligning our country and doing all kinds of things derogatory to our own interest. Mr. Speaker left the chair too quickly or I should have replied at that time, but since you are good enough to permit a reply now, I shall not say anything about the other matter. Two years ago the Prime Minister used to indulge in that sort of accusation, but I think he has got enough in return from this side of the house to feel he should discontinue it. Moreover he has been reformed in that respect and he took advantage of a certain event that occurred in this chamber to say something himself about conditions, not only in the west but throughout Canada. With your permission, Mr. Chairman, I would like to quote some of the Prime Minister's remarks on that occasion.

Mr. MACKENZIE KING: From what is the hon. member quoting?

Mr. MOTHERWELL: I am quoting from the report of the Imperial economic conference, the deliberations of which were held in this very chamber, and I should like to mention incidentally that we are not now in the Imperial conference but in the parliament of Canada and we are not to be cowed as the Prime Minister tried to bully the other delegates on that occasion. This is what he said:

> Canada, like all other countries, has suffered severely from the calamitous fall in commodity prices. Since August, 1929, our index of wholesale prices has fallen 32 per cent and is now only four per cent above the prewar level. This means that the dollar has increased in purchasing power by 48 per cent. As a result of this rapid and persistent decline in the general price level and the inevitable disparities created between different kinds of prices, normal business relationships have been disrupted, profit margins have disappeared in many cases, enterprise has been discouraged, unemployment has steadily increased, the fiscal problems of all our public bodies have been greatly aggravated, and the burden of fixed charges is exerting an almost intolerable pressure upon some of the strategic elements in our national economy.

The author of that is the present Prime Minister of Canada. He continues:

> Moreover, such fixed charges, except as they are reduced by bankruptcy and reorganization, are not being adjusted by the normal corrective processes which falling prices are supposed to set in motion. Indeed it seems that new disequilibria are created almost as rapidly as old maladjustments are corrected and the paralysis of business enterprise with profit margins uncertain or non-existent continues. Trade languishes and unemployment persists or tends to become aggravated.

That is what the Prime Minister said during this conference held in this chamber. Let me continue:

> I have said enough to indicate the importance which Canada is bound to place upon the solution of the problems of price instability and of unstable exchanges. In particular we believe that it is imperatively necessary to put a stop to the persistent decline in commodity prices which is paralysing private enterprise, choking off international trade, multiplying unemployment and social distress, and menacing the stability of our present social and economic order.

What hon. gentleman on this side spoke more strongly about conditions in Canada? I want to state that not one-half the truth has been told regarding conditions in the west. We scarcely breathe about the conditions to each other, much less to this chamber, and when any hon. gentleman opposite takes a different stand and pretends to know more about conditions than we do, he is getting beyond his depth and is talking of some thing of which he knows nothing. I have to compliment the Prime Minister on the great reform which has come over him in that respect. We remember quite well when he said that conditions in the west were due to our own extravagance and our speculating in the markets. By the way, he has done a little bit of market speculating himself, but we will come to that on a later item. He has been permanently cured, however. If the Minister of Labour wants to discipline anybody for talking honestly about conditions in the west I think he had better discipline his own leader, because he spoke more plainly with respect to Canadian conditions in this document that he gave to the world than we have ever done here.

Item agreed to.

Trade and Commerce—The Canada Grain Act, including management operation, maintenance and equipment of elevators, administration of —further amount required, $100,000.

Mr. MOTHERWELL: I gave notice, Mr. Chairman, that I wanted some more information about this marketing business. The Prime Minister made a very excellent statement the other day. I do not know whether anybody understood it or whether he himself did, but he left the impression on me that he was doing something for the farmers by way of supporting the market in lieu of paying the bonus on wheat which has been suspended this year. I have looked over the Prime Min-

ister's statement very carefully since then, and I find that in three or four places he spoke deliberately of steadying the market, or putting some muscle into it, as the saying is, in lieu of paying the bonus this year. Answering a question by the hon. member for West Edmonton, the right hon. leader of the government indicated that this holding up of the market which he spoke of had been done since 1930. So there is no question of its having been done then in lieu of paying the bonus.

I should like a further explanation of that from my right hon. friend or from the Minister of Trade and Commerce, and while they are answering they might also tell us what was done with that wheat when they took it over from the pool by the selling agency which has been under Mr. McFarland's administration for the last two years or more. Was it sold directly as cash wheat, or held and storage paid on it, or converted into long range futures; and was more purchased? Further, why did not the government get out from under this wheat marketing business when they could get out at a profit? I understood the Prime Minister to say that there was a time when a profit could have been made on the pool wheat taken over by Mr. McFarland had the wheat been sold at that time. Unless my right hon. friend has some justification for holding that wheat we shall have to conclude that he was just like any other speculator and did not know when to let go. The government had an inquiry made some time ago, headed by Sir Josiah Stamp, into the wisdom and usefulness or otherwise of the market for futures. The commission evidently concluded that the futures market served some useful purpose. The pool made some mistakes, possibly, while they were handling this wheat. They were accused of gambling in wheat and of holding wheat when they should have sold. Mr. McFarland and the government, we are told by the Prime Minister, could have sold this wheat at a profit at one time. Possibly the right hon. gentleman will say that the government had nothing to do with the selection of Mr. McFarland, that the pools elected him, but he was recommended by the government and the pool only nominally appointed him. Mr. McFarland has now had charge of the selling agency for two years. He took it over with the idea that he was going to show the farmers how to engage in futures profitably. He engaged in trading in futures; it is admitted that he could have made a profit at one time he did not sell, and now he must admit a loss if sale were made at present. I am ready to listen, and listen very carefully, to an explanation by either the Minister of Trade and Commerce or his leader the Prime Minister.



Mr. BENNETT: I did not come prepared, Mr. Chairman, to discuss this matter tonight. It does not arise out of this item, which is to extend the facilities required by reason of a larger crop being reaped than was anticipated. But I may say this to the hon. gentleman, who is familiar with conditions in western Canada. I said that there was a blackboard loss when Mr. McFarland took over the operations of the pool. I said that there was a day or there were several days on which, if the wheat could have been sold, it could have been sold at a profit, but the difficulty was that it could not be sold. That has always been the difficulty; you had to let the farmer either sell or not sell for himself. As I say, Mr. Chairman, I did not bring any papers with me with which to meet questions of this kind, because I did not think on an item to provide facilities under the Canada Grain Act this matter could possibly be discussed. On mature consideration the hon. gentleman will see that it is hardly fair to expect this matter to be discussed on an item of this character.

Mr. MOTHERWELL: Last year, Mr. Chairman, it was discussed on this very same item relating to the Canada Grain Act, and not only that, but we had the denial that Mr. McFarland was in the business of buying any kind of wheat. It is admitted now, but it was not admitted then.

Mr. DONNELLY: Last year, I brought up this very question of trading in wheat futures by Mr. McFarland, and I was told at that time that he was not trading in futures; that all he was handling was the wheat held by the pool, and that outside of that he had no activities whatever and was not hedging or buying futures.

The CHAIRMAN: This discussion is out of order on this item respecting the administration of "The Canada Grain Act, including management, operation, maintenance and equipment of elevators."

Mr. MACKENZIE KING: We discussed the matter on this item before, Mr. Chairman.

The CHAIRMAN: Yes, by consent of the house an item was reserved for discussion of all matters pertaining to the department.

Mr. MALCOLM: There is not another item in the whole estimates under which you could discuss it except the item for the Canada Grain Act, and it was discussed on that item last year.

The CHAIRMAN: That is quite right, but that was done by special consent. I remember very well, because I was in the chair at the time, that one item was reserved for a general discussion of all matters pertaining to the department. But if the committee agrees to the discussion continuing, I have no objection.

Mr. MOTHERWELL: The Prime Minister left the impression on me that there was only one prop to the market this year, and that was Mr. McFarland, the representative of the pool and of the government, if you like to put it that way, and that had that prop been taken away the whole business would have come tumbling down like Samson when he got his hair cut. As we are only part of this world and as Winnipeg is only one of many wheat markets, has some great economic Goliath been holding up the markets in the rest of the world that there should be a parity in all markets at this time and that our market should not be out of line with the other markets in Antwerp, Rotterdam, London, Liverpool, Manchester, Chicago and Buenos Aires? Where are these Goliaths? Why should my right hon. friend take all the credit for holding up the world's market at this time particularly when the market fell so badly? That is what he did, Mr. Chairman in his recent statement, and I could quote his words to you, but you would not let me; you never do. But it is in Hansard in black and white. I am not going to say that the Prime Minister deliberately deceived us. I do not think he knows much more about the market than I do, and I do not pretend to be an expert. I am searching for information, and if I have to depend on my right hon. friend I am afraid it will be a case of the blind leading the blind, unless he divulges more than he did on the recent occasion to which I have reference. I am not joking. I want to know if it is true that the wheat market not only in Canada but all over the world was kept either up or down during this period to which we have reference this year by the right hon. leader of the government.

Mr. BENNETT: The answer to that is no.

Mr. MOTHERWELL: No to what? This is what the right hon. gentleman said on November 14:

> Under these circumstances, Canadian Co-operative Wheat Producers Limited—

That is the company which this government was behind:

> —to which I have referred, became the only available hedging organization left in western Canada, and the government is faced at the moment with the issue as to whether or not, under these circumstances, it would give its support as provided by the Relief Act passed in 1931 and 1932 as well.

Mr. BENNETT: That is right.

Mr. MOTHERWELL: There was no other hedging avenue. My information is to the effect that every elevator company, inside of twenty-four hours after they buy in the country, have their grain purchases hedged. It is because the pool had not their grain hedged two years or so ago that they suffered a loss. The rest of them had theirs hedged, and yet my right hon. friend takes the ground that he is the hedger for the whole grain trade. That is what he says.

Mr. BENNETT: As I have indicated, Mr. Chairman, I am not in a position to discuss this matter because I did not bring a single note with me, being under the impression that this question would not be reconsidered. There will be ample opportunity when the estimates are before the house to discuss the matter fully. I repeat that the only available hedging possible is that provided by the wheat seller, by this organization.

Mr. YOUNG: They hedge for the trade as well.

Mr. BENNETT: They did some for the trade. I said the other day that I was not quite certain. However, I inquired about it, and found that they did some hedging.

Mr. YOUNG: They did all the hedging?

Mr. BENNETT: No.

Mr. DONNELLY: There was hedging on our Canadian market of Chicago wheat as well. Were they doing the buying of this wheat also?

Mr. BENNETT: I cannot answer, because I have not the papers before me.

Mr. MOTHERWELL: I came unprepared also, because I did not expect the Prime Minister to be present. He seldom is when these questions are under discussion. The Minister of Trade and Commerce spoke last year, because it comes under his department.

Mr. BENNETT: He has not his information before him, either.

Mr. MOTHERWELL: He made quite different answers last year. I will not press it too hard, because there might have been state reasons for his answering other than exactly correctly. I am ready to forgive that. But when it is admitted by the Prime Minister this year that the government was in the wheat market I think it is high time we knew the facts.

Mr. VALLANCE: In view of what the Prime Minister has just said, namely that he has not the information before him, and in view of the fact that we have attempted on many occasions during the last seven weeks to extract from the government their position in connection with the wheat problem, will the Prime Minister give a guarantee to the house that when this matter comes up again for discussion the information will be given?

Mr. BENNETT: The word "guarantee" is a highly improper term to use. I will say, however, that so far as the government is concerned it will supply any information it has at its disposal if the house, or the committee of the house, and the opposition, think it is in the public interest to ask it. I will put the full responsibility for it exactly where it belongs.

Mr. MOTHERWELL: Until we do get this information we won't know whether the government has helped or hurt the market this year.

Mr. BENNETT: The Premier of Alberta made that perfectly clear. The other day Mr. Brownlee said what we had done had saved the situation, and I believe he is as well informed in these matters as any other gentleman in western Canada. I presume hon. members opposite saw his public statement in that regard. I know only this, that if we had to do it over again we would do exactly as we did.

Mr. MOTHERWELL: Yes, we see statements; there is always someone ready to make them when they are required. Statements are always forthcoming when it is necessary to prop up the government as well as the market.

Mr. BENNETT: I may say I had no knowledge of what Mr. Brownlee was going to say.

Mr. YOUNG: Did the Premier of Alberta have information when he made that statement?

Mr. BENNETT: What is that?

[Mr. Motherwell.]

Mr. YOUNG: Did he have information when he made that statement?

Mr. BENNETT: I have had no communication with him. It was made after the statement made by me in the house the other day.

Mr. DONNELLY: Last year I brought this matter up, and the Minister of Trade and Commerce told me the government had not taken any action of the kind. Now the Prime Minister tells us that they have been in the market since 1930. I was in this house in 1928, 1929 and 1930. We were told how the pools had been gambling in wheat, and it was because they had gambled that they had made such great losses. Last year and the year before I listened to the Prime Minister tell us that the reason the farmers in western Canada were so hard up was that they had been playing the stock market. Now we find that the big boy is going to show us how he gambled in wheat. It seems we have been in it for two or three years, but we have not had a statement yet. We do not know whether we are behind or whether we are ahead. When I suggest that there might be a profit the Prime Minister says that if there is any profit it goes to the bank.

Mr. BENNETT: I did not say any such thing. Mr. Chairman, I ask that the hon. member retract that statement.

Mr. DONNELLY: I beg the right hon. gentleman's pardon; I meant to the selling agency.

Mr. BENNETT: Thank you.

Mr. DONNELLY: The suggestion that there was a profit was rather outside the question. One day we were told they were ahead of the market, that if they sold out and cleared up they would be ahead. I cannot see for the life of me why it was not done. I have heard the statement that a bear or a bull can make a profit on the market but that a hog cannot. Possibly that is why they have not sold out.

Mr. BENNETT: I am content that the issue should be left to the Canadian people.

Mr. DONNELLY: I hope when this matter comes up on the estimates we will have a full explanation of the activities of the government and a statement as to their position.

Mr. MOTHERWELL: For the next two months then we are to look upon the Prime

Minister of Canada as the great economic Tarzan the Terrible who can do all things and hold up all markets not only in Canada but throughout the world.

Item agreed to.

Resolutions reported, read the second time and concurred in.

## ROYAL ASSENT

Office of the Governor General's Secretary, Canada

Ottawa, 25th November, 1932.

Sir,—I have the honour to inform you that the Right Honourable L. P. Duff, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today at 10.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be, sir,
Your obedient servant,
James F. Crowdy,
Assistant Secretary to the Governor General.

The Honourable
The Speaker of the House of Commons
Ottawa.

## WAYS AND MEANS

### SUPPLY BILL

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. LaVergne in the chair.

Mr. RHODES moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1933, the sum of $1,534,957.08 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 12 for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1933.

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

## REDISTRIBUTION BILL

### APPOINTMENT OF SPECIAL COMMITTEE ON BILL NO. 2 TO CONSIDER READJUSTMENT OF REPRESENTATION IN THE HOUSE OF COMMONS

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I desire to move, with the consent of the house, that the following be members of the committee to consider Bill No. 2, an Act to Readjust the Representation in the House of Commons:

Messrs. Barber, Beaubien, Bell (St. John-Albert), Burns, Dorion, Elliott, Gobeil, Heaps, Ilsley, Kennedy (Peace River), MacNicol, Manion, Mercier (Laurier-Outremont), Reid, Smith (Cumberland), Stanley, Stewart (Brockville), Stewart (West Edmonton), Totzke and Turnbull.

And that standing order 65 be suspended in relation thereto.

Mr. MACKENZIE KING: I asked this morning if it would be possible for members of the committee to be supplied with any data of which it is usually in possession when it begins its work on the redistribution bill.

Mr. GUTHRIE: Yes, I understand the Prime Minister is attending to that, and will see that the proper papers are supplied.

Motion agreed to.

## THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Excise Act.
An Act to amend The Canada Grain Act. (Domestic grain.)
An Act to amend The Montreal Harbour Commissioners' Act, 1894.
An Act respecting a certain Trade Agreement between His Majesty's Government in Canada and His Majesty's Government in the United Kingdom.
An Act respecting a certain Trade Agreement between the Dominion of Canada and the Union of South Africa.
An Act respecting a certain Trade Agreement between the Dominion of Canada and the Irish Free State.
An Act respecting a certain Trade Agreement between Canada and Southern Rhodesia.
An Act to amend the Customs Act.
An Act to amend the Customs Tariff.

## FRUIT COMBINE REPORT

Hon. W. A. GORDON (Minister of Labour): Before we adjourn, Mr. Speaker, with the permission of the house I should like to lay upon the table the final report of

an investigation into an alleged combine in the distribution of fruit and vegetables, 1924-25. In some way this final report was not tabled previously, and the statute contemplates that this should be done.

## BACK TO THE LAND MOVEMENT

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, with the consent of the house I should like to table the answer to a question appearing as No. 33 in the votes and proceedings of November 23, 1932. The question was asked by Mr. Bourgeois, and I think the information should be tabled as soon as possible. The question and answer are as follows:

Mr. BOURGEOIS:

1. With respect to the return to the land movement, how many persons in the province of Quebec have benefited by the provisions of the Unemployment and Farm Relief Act and received assistance from the federal government up to the present time?

2. How many persons in each of the other provinces of Canada have benefited thereby and been similarly assisted?

Mr. GORDON:

1. The provincial government of Quebec reports that up to date 148 families with 768 dependents, making a total of 916 individuals, have been settled under the relief settlement plan in accordance with the terms of the agreement entered into between the federal government and the province of Quebec under the provisions of The Relief Act, 1932, and that approximately 375 additional families are expected to be settled this season.

2. The provincial government of Nova Scotia reports 95 settlers placed on the land with 522 dependents, making a total of 617 individuals to November 1st, 1932. In addition a further 22 applications have been approved by the province.

The provincial government of Ontario reports 226 settlers placed on the land with 932 dependents, making a total of 1,158 individuals to October 5th, 1932.

The provincial government of Manitoba reports 179 settlers placed on the land with 637 dependents, making a total of 816 individuals to November 7th, 1932.

The provincial government of Saskatchewan reports 366 settlers placed on the land with 1,313 dependents, making a total of 1,679 individuals to October 18th, 1932, and that a further 133 additional settlers have been selected for settlement.

The provincial government of Alberta reports that 29 families with 108 dependents making a total of 137 individuals have been approved by the province for settlement.

[Mr. Gordon.]

## ADJOURNMENT

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I beg to move that this house do now adjourn, and that it stand adjourned until three o'clock in the afternoon of January 30, 1933.

Motion agreed to and the house adjourned at 11.02 p.m.

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# Monday, January 30, 1933

The house met at three o'clock.

## GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Bessborough.

Government House,
Ottawa.

## THE LATE MR. MAXIME D. CORMIER

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it has been said that death loves a shining mark. If that be true, we in this house have since the adjournment had striking evidence illustrating the force of that observation. Little did any of us, when we left here a few short weeks ago, think one of our number, Mr. Maxime D. Cormier, member for Restigouche-Madawaska, would have passed from this world. Nevertheless, such is the case.

A young man of great, indeed, of more than ordinary promise, has been called from us. He had a career that exemplifies fully what may be achieved by honest effort. He was descended from a family that came to this country over two and a half centuries ago. He early conceived the idea of making for himself a place in the public life of the country, and, settling in Edmundston, although born in the county of Westmorland, New Brunswick, identified himself with every local movement in that community. He was principal of the school and, subsequently admitted to the bar, he filled practically all the offices that might be filled by a member of the profession in the capital town of that county. He was judge of probate, clerk of the supreme court and clerk of the county court. In the fulness of time he offered himself as a candidate for

the suffrage of his fellows. He was defeated, but in the election of 1930 he was returned to this house.

He had many qualities that endeared him to those who were privileged to know him well. I am told by one of his colleagues who was present at his funeral, that the manifestation of real sorrow and grief on the part of thousands of people who gathered there that day to pay their last earthly tribute to one of their number, was indeed striking, he had not seen anything like it before.

Mr. Cormier had a genial disposition and readily accommodated himself to the difficulties that arose by reason of the fact that he represented a constituency in which lived, in almost equal numbers, representatives of the two great races. Everyone spoke well of him in his desire to do justice and deal fairly with the claims of all persons regardless of race or religion, and to have attained the position of singular confidence he enjoyed in his community was well worth the effort of a lifetime. We shall miss him because of his kindly disposition, because of his buoyant optimism, because he represented the admixture of fairness and justice so essential in dealing with the many problems that confront legislators and others in this country. I ask you, sir, to convey to the sorrowing wife and children the expressions of sympathy of this chamber in the great loss they have sustained.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Personally, and on behalf of the Liberal members of the opposition, I desire to express to the Prime Minister (Mr. Bennett) and to hon. gentlemen opposite, our sincere sympathy in the loss which they and their party have sustained through the death of the late member for Restigouche-Madawaska, Mr. Maxime Cormier.

Having entered parliament so recently, Mr. Cormier was just coming to be known to many of the members. Those of us who had the pleasure of his acquaintance will appreciate how considerable is the loss sustained by those whose interests he sought to serve; and how merited the tribute which has just been paid his memory by the Prime Minister.

We join with other members of this house in the desire to have the expression of its sympathy conveyed to Madame Cormier and the members of her family, who have been so suddenly and so greatly bereaved.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, may I on behalf of those who sit in this corner of the house join in the tribute which has been paid to our late colleague, Mr. Cormier, by the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King). Although Mr. Cormier had been a member of this house only since the election of 1930, I am sure all hon. members will join sincerely in the tribute which the Prime Minister has paid to his memory.

## RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce a bill to amend the Railway Act (rates on grain).

Some hon. MEMBERS: Explain.

Mr. REID: This bill contains one clause proposing that the parliament of Canada grant to British Columbia the same freight rates on grain for domestic purposes as those enjoyed by eastern points. It is a simple clause.

Mr. SPEAKER: No copy of the bill has been filed as yet, and its first reading will have to be postponed until the bill is forthcoming.

Motion stands.

## EXPORT ACT AMENDMENT

Mr. S. C. ROBINSON (West Essex) moved for leave to introduce Bill No. 14, to amend the Export Act.

Some hon. MEMBERS: Explain.

Mr. ROBINSON: The object of this bill is, by repealing section 8 of the Export Act, to restore to the revenues of Canada the large amount of revenue lost by its enactment, and to open the way by international treaty or convention for reciprocal duties and obligations on the part of the two governments concerned. It is also an effort to help the serious unemployment situation in Canada, and to assist in the prevention of smuggling.

Motion agreed to and bill read the first time.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### MARIA, QUE., INDIAN AGENT

Mr. MARCIL:

1. Has Edmund Nadeau, Indian agent of Maria Indian Reserve, been dismissed? If so, for what reason?

2. Who was appointed in his place, and was the appointment a temporary or permanent one?

3. Has the appointment of Mr. Nadeau's successor been confirmed, and if not, who is now in charge of the agency?

Mr. MURPHY:

1. Yes. For political partisanship.

2. Rev. J. A. W. Provencher was appointed temporarily.

3. No. Mr. J. Adhemar Cyr.

POST OFFICE—DISMISSALS

Mr. POULIOT:

Do the figures 814 which appear in file S.P. 163, Ref. 22, of November 14/16, 1932, as constituting the number of employees of the Post Office Department who have been dismissed since August 1, 1930, include postmasters dismissed for political partisanship, incumbents who lost their position as a result of the changing of post office locations, and those whose retirement resulted from the closing of post offices?

Mr. SAUVE: The statement mentioned covers all postmasters dismissed on account of active political partisanship, unsatisfactory management or site or other reasons, but not those whose services had to be dispensed with on account of the closing of post offices.

SULLY, QUE., POSTMASTERSHIP

Mr. POULIOT:

1. Was Mr. Isidore Jean, a returned soldier, appointed postmaster of Sully, on or about June 30, 1932?

2. If so, upon whose recommendation?

3. Did the Post Office Department issue instructions for the transfer of the post office at Sully to the said Mr. Jean?

4. If so, on what date?

5. Were these instructions suspended?

6. If so, on what date, at whose request, upon whose instructions, and why?

Mr. SAUVE:

1. Yes.

2. By order of the Postmaster General.

3. Yes.

4. June 30, 1932.

5. Yes.

6. On July 6, 1932, by order of the Postmaster General.

IMPORTS OF MANUFACTURES

Mr. GOTT:

What was the value of the manufactured products imported into Canada, each year or part of year, during the years the late administration was in office?

Mr. STEVENS: Canada's imports of partly and fully manufactured goods during the years ended March 31, 1922 to 1930, were as under:

| Years ended March 31 | Partly manufactured | Fully manufactured |
|---|---|---|
| 1922 | $ 71,843,851 | $459,511,728 |
| 1923 | 77,818,110 | 496,733,213 |
| 1924 | 100,277,664 | 539,065,981 |
| 1925 | 85,715,404 | 490,315,839 |
| 1926 | 93,127,644 | 578,335,296 |
| 1927 | 104,707,342 | 662,314,666 |
| 1928 | 106,321,137 | 718,826,782 |
| 1929 | 101,228,395 | 873,966,247 |
| 1930 | 95,970,100 | 864,026,719 |

IMMIGRATION, 1926-1930

Mr. GOTT:

How many people were admitted into Canada from all countries—each year, or part of year—during the years the late administration was in office?

Mr. GORDON:

| | |
|---|---|
| October 1, 1926, to March 31, 1927 | 53,105 |
| Fiscal year 1927-28 | 151,600 |
| Fiscal year 1928-29 | 167,723 |
| Fiscal year 1929-30 | 163,288 |
| April 1, 1930, to July 31, 1930 | 58,273 |

SINKING OF BRIGHT FAN

Mr. McINTOSH:

1. In view of recent developments, does the Government intend to further investigate the circumstances surrounding the sinking of the British freighter Bright Fan?

2. If so, when?

Mr. DURANLEAU:

1 and 2. The government has no knowledge of any "recent developments" in this matter.

C.G.S. ST. HELIERS

Mr. GARDINER:

1. When was the C.G.S. St. Heliers bought and from whom?

2. By whom was this vessel inspected and at what location?

3. What was the price paid for it?

4. What repairs have been made each year since its purchase?

5. By whom were these repairs made?

6. What have these repairs cost each year?

7. What balance, if any, was due by the Department of Marine for repairs on July 28, 1930?

8. What balance, if any, was due by the department for this vessel on July 28, 1930?

9. When was this balance paid and to whom?

10. What to date is the actual cost to the department for this vessel?

11. To what use each year has this vessel been put?

12. When was it last used?

13. Where is it now lying?

Mr. DURANLEAU:

1. The vessel was bought under Bill of Sale dated July 10, 1930, from St. John Drydock and Shipbuilding Company, Limited, of Saint John, N.B.

2. It was inspected by Steamship Inspectors C. E. Dalton and W. R. Bennett, at Saint John, N.B.

3. $184,978.80.

4. 1930-31—Nil.
1931-32 } Minor deck, hull and engine
1932-33 } repairs.

5. Midland Engine Works, Midland, Ontario; P. Payette Company, Penetanguishene, Ontario.

6. 1930-31—Nil.
1931-32—$113.
1932-33—$3,482.

7. Nil.

8. $35,378.80.

9. $35,000—2nd April, 1931—St. John Drydock and Shipbuilding Company, Limited; $378.80—6th June, 1932—St. John Drydock and Shipbuilding Company, Limited.

10.

| | | |
|---|---|---|
| Price paid St. John Drydock and Shipbuilding Company, Limited | | $ 184,978 80 |
| Buoy lifting equipment | | 18,505 25 |
| | | $ 203,484 05 |
| Operating expenses: | | |
| 1930-31 | $ 1,846 46 | |
| 1931-32 | 19,773 40 | |
| 1932-33 | 30,938 36 | |
| | | $ 52,558 22 |
| | | $ 256,042 27 |

11. Buoy and lighthouse service.

12. The vessel was in commission and operated continuously from the opening until the closing of navigation, 1932.

13. It was landing supplies at Cove island and Flowerpot island lightstations, Georgian bay (24th November, 1932).

## QUESTION PASSED AS ORDER FOR RETURN

REPORTABLE DISEASES

Mr. ROSS:

1. What are the reportable diseases in each province of the Dominion?

2. What has been the death rate for the past ten years for, (a) tuberculosis; (b) diphtheria; (c) puerperal state; (d) organic diseases of the heart; (e) pneumonia; (f) diabetes; (g) poliomyelitis?

Mr. STEVENS: Return tabled forthwith.

## MOTIONS FOR PAPERS

DETROIT RIVER-LAKE ERIE CHANNEL CONSTRUCTION

Mr. GOTT:

For a copy of the agreement between the government of Canada and the government of the United States of America which permits channel construction in the lower Detroit river and Upper Lake Erie, international waters, at or near Amherstburg, Ontario.

LOWER DETROIT RIVER—PATROL

MR. GOTT:

For a copy of the agreement between the government of Canada and the government of the United States of America regarding the operation and maintenance of a patrol in the lower Detroit river during the course of channel construction and the closing of the West Channel to navigation.

## EXPORT ACT AMENDMENT

Mr. C. G. POWER (Quebec South) moved:

Resolved, that in the opinion of this house, the Export Act Amendment, 1930, refusal of releases and clearances to countries where importation of liquor forbidden, should now be repealed.

Mr. BENNETT: I would ask, Mr. Speaker, if this resolution is in order now that a bill founded upon its subject matter has been introduced and read a first time today.

Mr. SPEAKER: The bill introduced today undoubtedly covers the very same matter dealt with in this resolution, and as the bill itself cannot be anticipated by a resolution I declare the resolution out of order.

Mr. POWER: I have nothing to say, Mr. Speaker, except to acquiesce in your decision.

## CURRENCY, NOTES AND BONDS

PROPOSAL FOR STAMPING OR PRINTING IN BOTH OFFICIAL LANGUAGES

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation) moved:

Whereas French-speaking Canadians constitute approximately one-third of the population and have always evinced their attachment to the throne and British institutions;

And whereas their language, one of the languages most commonly used in international relations, is coupled with their culture and traditions, one of the essential elements of Canadian nationality, and establishes a characteristic that differentiates and protects our country against the dangers of Americanization;

And whereas the Fathers of Confederation had in mind and the federal pact demand the equality of the two languages: English and French;

Therefore be it resolved, that, in the opinion of this house, in order to more clearly establish the distinctive character of the Canadian people

and to better ensure its preservation, all state currency, notes or bonds should be in both official languages.

(Translation) He said: Mr. Speaker, I did not anticipate to be called upon, to-day, to discuss the motion which appears in my name on the order paper. The question to which this motion gives rise is of great importance to the maintenance of the good understanding which must always exist among the various ethnical groups in Canada. Therefore, I only wish I possessed the necessary gifts in order to discuss this question as it deserves; however, I trust that the veterans of Canadian politics, whom I see around me in the house and who are my inspirers and models, will kindly complete by their masterful arguments, the proof of the theme I set forth, after I have given the motives which have induced me to move that Canadian currency as well as Government notes, bonds or debentures, be, in the future, stamped or printed in both the official languages of this country. I do not intend to enter into an historical or philosophical description to support the wish expressed in the resolution, which I have the honour of introducing. I would deem this beyond my power. Moreover, the resolution speaks for itself; it is quite evident to the great majority of Canadians who are intelligent, tolerant and possess some knowledge of the history of their country. It is to them that I appeal, for I do not entertain any hope of convincing ignorant and bigoted or silly people.

Any bright Canadian who has studied his history admits as a fact that Canada is a bilingual country and was founded by two great races from which she borrowed the best characteristics to build up an individuality of her own and distinct from that of other nations which surround her. Any intelligent Canadian who has perused his history also admits that the two-fold formation of the Canadian nation must appear in the foremost acts of its national life, as for instance, in the stamping or printing of its currency, government notes, bonds or debentures, which is a prerogative of the sovereignty of a nation.

Bilingual currency is not a new question to this house. I find in the Hansard of the session of 1906-1907, that Col. O. E. Talbot, member for Bellechasse, speaking for Mr. Armand LaVergne, member for Montmagny, questioned the hon. Mr. Fielding, who was then Minister of Finance, as to the stamping or printing of currency and government notes in the two official languages of this country. The hon. Mr. Fielding replied that this reform did not seem to him, generally desired. The house will bear witness that this answer has not varied since then; it is the same which is given to-day. One may find the questions and answers, at page 6015, vol. IV of Hansard, session 1906-1907.

I am pleased to point out that this question was brought to the attention of the house by one of the former members of the county of Bellechasse which I have the privilege of representing in parliament.

More than 100 years ago, another member for Bellechasse, the hon. Augustin-Norbert Morin, who later became prime minister of Canada and whose family is related to that of my hon. friend, the member for Dorchester (Mr. Gagnon) published a pamphlet in connection with an order issued by a certain magistrate, whose name I cannot recall at this moment, that the English language should be adhered to in pleading before Canadian courts. "In what language should justice be meted out"? inquired the hon. Mr. Morin. "Evidently," he replied, "in the language of those who are judged!"

Prompted by my illustrious predecessor and model, allow me, sir, in my turn to put a similar question: In what language must be stamped the currency which serves to pay the taxes? The answer is clear: "In the language of those who are taxed."

Then, as one third of the rate payers in Canada speak the French language, it is befitting that the currency with which they pay their contribution to the state should bear a French inscription. This currency which serves to pay taxes, seeing that Canada is composed of a people speaking two official languages, should be stamped in the two official languages spoken by the ratepayers.

Whether one likes it or not, Canada is a bilingual country, in fact as well as in rights she bears the stamp of both French and English civilizations. It is exactly what distinguishes, characterizes and differentiates her from other countries. My fellow-citizens speaking the English language will pardon me if I state that without us, without our help, they would only be ordinary Americans, or common Americans, if you prefer.

There was held, last summer, in Quebec a congress of a national society called "The Native Sons of Canada," I had the pleasure of accompanying to the old Basilica of Quebec one of the officers of this society and I pointed out to him that the sacred chant to which he was listening: "Domine Salvum fac regem" had been sung in the old Quebec Basilica for the last three hundred years, ever since this Basilica had been founded, in 1633. We thus have prayed for the King for three hundred

years; first, for the King of France; then for the King of England; and now it is for the King of Canada for whom we pray in this Basilica, three centuries old. I pointed out to him that the two or three square miles comprised within the walls of Quebec were at a time of its history the only territory in America over which floated the British flag, and that, if Canada is British territory and forms part of the possessions of His Majesty George V, the King of England and equally so of Canada, it was due to the defence of Quebec by Canadians speaking French united with the Canadians speaking English, in 1775.

One of our most eminent public men said to me one day: "You should withdraw this resolution. Canada is not a bilingual country." But, I replied, you are not without knowing that there are more than 3,000,000 Canadians speaking the French language. Does this not make of Canada a bilingual country? "Read the British North America Act" he answered. The eminent person who so addressed me is a member of the profession to which I belong, this, I state, without wishing to be considered as his equal. It is, perhaps, a professional defect of lawyers to attach too much importance to the wording of an act. Notwithstanding, however, that the wording of article 133 of the British North America Act seems to convey that French is only official in the House of Commons, before federal courts and in Quebec, it is nevertheless a fact that Canadians speaking French, are established in the nine provinces of Canada; it is furthermore a fact that the French Canadians are the pioneers of this country, they opened it to civilization and have helped to build it up, therefore Canada is, in fact, a bilingual country.

When we are aware, Sir, that other countries are learning again their old time languages; when we witness, for instance, Ireland reviving Gaelic, the Jews in Palestine reviving Hebrew, the Catalons, who have just been given their autonomy by the Spanish Republic, reviving their old Catalonian language, literature and theatres, so as to assert their individuality and distinguish themselves from other nations, it is very strange to find that certain Canadians are opposed to Canada asserting her individuality as a bilingual country, simply, they say, "So as not to embarrass the Government."

Whether this motion be presented by a liberal or by a conservative, whether it be adopted by a liberal or conservative government, it is of little import, the essential is that it be adopted. I waited until the house had been in session for some time before placing on the order paper this resolution.



I wished to afford an opportunity to my friends opposite to introduce this motion themselves instead of my doing so, and I would have been pleased to support it had they done so. If my hon. friends on your right, sir, had moved this resolution, they could not have been reproached for doing so "to embarrass the government." However, I wish to point out to those who accuse me of moving this resolution with the view of embarrassing the government that, if a change of government takes place at the next election and if the reform which I claim is not granted, I shall continue to make the same request to the government which will replace this one.

The text of article 133 of the British North America Act of which I spoke a moment ago, did not prevent the hon. Louis Philippe Pelletier, one of the most distinguished and able men that the conservative party has ever had, of having post cards printed both in French and English; this text did not prevent the hon. senator Jacques Bureau—before whose grave, freshly covered, I bow—from issuing excise stamps in both languages, when Minister of Customs; this text did not prevent the hon. member for Gloucester (Mr. Veniot), when Postmaster General from giving us postage stamps in both languages. They were guided by common sense, propriety and justice rather than by the lack of broadness of the wording.

Moreover, Canada is, by rights, a bilingual country, and this since 1774. Our present system of government is but the expansion of the systems which preceded it, and it has become heir to them. The Quebec Act of 1774, which established civil government in this country, after the conquest, and which applied to all territories remaining under the control of England, permitted officially the use of French together with English and thereby proclaimed the bilingual character of this country. The constitution of 1791, which set up a parliamentary regime, acknowledged equally the similar rights of French and English in this country.

One hundred years ago, the currency in this country was bilingual and on the face of an 1827 penny one may read these words "Deux sous, province du Bas Canada" and on the reverse side "Bank token, one penny." You will perhaps, be amazed, sir, to hear that in the English colony of Hong Kong, the currency is stamped both in English and in Chinese. It therefore seems to me that nobody should be astonished to hear the French Canadians request that in Canada, where they constitute one third of the population, the

same justice be meted out to them as that which is meted out to the Chinese people of Hong Kong.

The Act of the Union of the two Canadas, of 1840, prohibited the use of French, but this prohibition was of short duration, and in 1849, thanks to Baldwin and Lafontaine, all that was then Canada became again officially bilingual. The Canadian Confederation is as much bilingual as the Canada of 1774, the Lower Canada of 1791 and that under the Union of 1849. Without wishing to criticize the Fathers of Confederation of 1864 and 1867, it seems to me that they could have better laid down the principle of bilingualism in Canada. When Confederation was constituted, the French Canadians were about equal in number to the English Canadians. It strikes me that the Fathers of Confederation, instead of playing the part of poor relatives, instead of appearing as whipped dogs—pardon the expression—should have better upheld the rights of those they represented and made really of Canada a bilingual country, in its rights, as it existed in fact, instead of acquiescing to this narrow and shabby text which we find in the British North America Act. Another reason why I request that Canadian currency be stamped in the two languages, is that this act would proclaim the fact that Canada was founded by two great races.

I do not think it necessary to develop at length this argument. Those who have studied Canadian history are aware what has been, in the past, the contribution of French-speaking Canadians to our national life. We, belonging to this generation believe, without bragging, that we carry some weight in the affairs of this country, we bear our share of the taxes and help in working out the destinies of this country. We take as much pride in our forebears and the part they played in our history as do our English-speaking fellow-citizens. Our love and devotion for the common fatherland is equal to that of our fellow-citizens who speak another language, and the patriotism of the oldest Canadians has nothing to envy to that of Canadians speaking English.

We require no pressing to take up our share of sacrifices and liabilities. Moreover, we are never left out on such occasions, no more than we are forgotten by the public treasury. Why should our rights and privileges be ignored? Why should we be forced to claim them as in the present instance? What a noble act it would have been on the part of a Canadian speaking English to move a resolution purporting to stamp Canadian currency and print the state notes in the two official languages, so as to proclaim the duality of formation and civiliaztion in Canada, and the perfect equality of the two principal ethnical groups constituting the population.

The frank and loyal acknowledgment of the rights of the Canadians speaking French by the majority are the peace terms between brothers without which this country's welfare, as a whole, cannot exist. We do not think, we are requesting too much in claiming as a right the appearance of our language on national currency, notes, bonds or debentures, so as to proclaim to the world the historical part played by the people of our race in this country. Of this we greatly pride ourselves and we love to recal' the time when Quebec was the centre of a vast empire extending from the Atlantic and the Alleghanies as far as the Rocky mountains, from Hudson bay to the Gulf of Mexico. We like to recall the time when the Ibervilles, the Bienvilles founded cities in the valley of the Mississippi, as far as the Gulf of Mexico, and that not one single large town, except on the New England coast, was founded by others than by French speaking Canadians.

The spirit of justice is part of the English character. We therefore trust that our fellow-citizens speaking English will acknowledge the justice of the rights we have of making our existence known on such official documents as our national currency, notes, bonds or debentures. Those endeavouring to unify, to standardize us will strive in vain, there will always be two languages, two races in this country. It is moreover its distinctive feature from others. Why not, honestly, make the best of it? Why not scrupulously respect the rights and views of one another? Why not endeavour to better know and understand one another by learning both languages, by practising entirely bilingualism, as His Excellency the Governor General himself recently advised, at the Ottawa University. I find his own words in the published account of the "Voix National" dated December 10, 1931. The Governor General in answer to the address of the students of the Ottawa University stated plainly:

I was particularly pleased to hear you inform me, with evident satisfaction, that bilingualism, in your institution, forms part of the foundation stone of the education you receive. In my opinion, the importance of the knowledge of both languages in this country cannot be over estimated. The better the citizens of this dominion will be able to discuss easily and freely, both in French and English, the vital questions which interest the whole Canadian nation, the better will they appreciate their respective qualities, and the less will there be danger of their being misunderstood.

The stamping of currency in both languages would certainly remind young Canadians to follow the sound advice of Lord Bessborough.

Moreover, this is an excellent opportunity to achieve the reform requested. Has not the British Government just handed over to the Canadian Government the control of the Mint, at Ottawa, which it held up to December 1, 1931. By the way, may I congratulate the Government on having realized this reform quite flattering to our national pride and suggested by the Order of Native Sons of Canada.

We may be reminded, perhaps, that there is no demand for bilingual inscriptions on our national currency. We are aware that this was the hon. Mr. Fielding's answer, in 1907, and that of hon. Mr. Robb, in 1928, when he was requested to please his fellow-citizens of Quebec on the occasion of granting a new contract for the printing of State notes.

I do not think that the same objection stands this year. Indeed, since this question was brought up in the House, most of the newspapers of this country, not only those published in the French language but also many published in the English language, have referred to it in their editorial page, and they are unanimous in requesting Parliament to adopt this reform. Such a reform is equally requested by the Native Sons of Canada, the "Société du bon parler français" of Quebec, the St. John the Baptist Society of Montreal and Quebec, the Commercial Travellers' Syndicate and many others whose names I cannot recall, at present; all have adopted resolutions recommending the putting into practice of the principle we advocate.

Petitions signed by a great number of ratepayers were forwarded to the hon. Minister of Finance (Mr. Rhodes) requesting that State currency and notes be stamped or printed in both Canadian official languages. I do not think that it can be said now that there exists no demand, or popular sentiment in favour of the resolution which we are debating.

Practical men, dampers of practical sense, have objected to the cost and expense that such a reform would entail. They remind me of the Scotchman who said:

"There is no pleasure in smoking. If you smoke your own tobacco you are always thinking of the awful expense. And if you are smoking someone else's tobacco your pipe is filled so tight that it does not draw."

What does the outlay of a few thousand dollars amount to when a principle is involved and when it is a question of doing justice to one third of the population of a country?

Moreover, the outlay would only consist in making out new drawings, new lithographic plates and dies.

What will you do, I was asked, with the small metal coins which bear already figures and inscriptions in Latin and English? If I am not mistaken, there are but the one cent coins on which we could translate "one" by "un" and the large coins of five cents on which "five" could be duplicated by "cinq." As to "cent" I wonder whether it would be necessary to translate it by "centin," for this word "cent" has been accepted if not by the French at least by the Canadian language. However it is with reference to government notes, our beautiful "paper money" according to a "popular expression" that we shine. A few years ago, when the United States reduced the size of their state notes, some one suggested to the Canadian Minister of Finance to follow their example. He, however, refused with contempt, wishing to preserve the full and rich appearance of the Canadian notes. It is true that since then the United States took upon themselves the task of reducing their value, however, we remain with the large size notes of the period of the seven fat cows. That is fortunate for we shall thus have the necessary space for beautiful notes printed in both official languages.

How do you translate "Dominion of Canada" I was asked? It is told that it was Sir Georges-Etienne Cartier who undertook to translate it by "Puissance du Canada." To some one who remarked to him that the expression was not French, he replied with the little sharp tone which, it is said, he had: "It will be in the future!" I leave the care of settling the question to experts. The Canadian Confederation will get on well, likewise the Kingdom of Canada of Sir John A. Macdonald and of my friend the hon. member for Montmorency (Mr. LaVergne) or even the Republic of Canada, seeing that, since the Westminster Statute saw light, Canada is a republic presided by a King.

Some one informed me that Canadian currency can only be stamped in English, since it bears the likeness of the Sovereign and that the language of the Sovereign is English. Since the statement of Balfour, at the Imperial Conference of 1926, and also since the Westminster Statute, His Majesty George V is king of Canada as he is king of each of the nations comprised in the British Commonwealth. As King of Canada, he must speak the language of all his subjects of which one-third speak French. Moreover, as a question of fact, His Majesty speaks French far more fluently than I do.

In England, a person does not consider himself well educated unless he can speak French, the language of his Norman ancestors who were also those of the French Canadians of to-day. I shall never forget the confusion and abashment of three or four English-speaking Quebec people, obliged to confess, after passing all their life among their French-speaking fellow-citizens, that they were unable to follow Sir Austen Chamberlain and Sir Ronald Rudd, speaking in an irreproachable French, in an address given at the Canadian Club in Quebec. Bilingual currency is not a rare thing. The notes of both the Banque Nationale and Banque Provinciale are printed in French and English. I think that the currency and postage stamps of the Free State of Ireland are stamped or printed in Gaelic and English, while that of South Africa are in English and in Dutch. That Belgian currency is stamped in Flemish and French; that of Switzerland in German, French and Italian. Switzerland is a country where really the principle of bilingualism or rather trilingualism is practised, since nobody can occupy any public post, not even that of tramway conductor, without knowing the three official languages of the country. When shall we see such a reform and such an evidence of punctilious good faith in Canada where most of the high officials of the Dominion government are unilingual, as for instance, a chairman of the railway commission who does not even know how to write the names of witnesses of the province of Quebec who appear before him.

In closing my remarks may I express a wish: That of seeing the members speaking French in this house, united on this question. I trust that no one will take the attitude of whipped dog that some of our public men have sometimes taken on national questions and which is no doubt characteristic of three centuries of colonialism. If there are "ifs" and "buts" to be brought forth, if there are objections to be made, let this be done by the hare-brained people of the Orange Order or Ku Klux Klan who have brought into this free and peaceful country the narrow and ignorant fanaticism of foreign countries.

My last appeal is to Canadians who take pride in their country, its origin, history and character. We speak in this country the two most beautiful and important languages of the world which we have inherited from the two greatest civilizations that have ever existed. Let all Canadians, all true Canadians, whether they speak English or French, help us in proclaiming throughout the world, on Canadian currency, notes, bonds and debentures, that Canada is a bilingual country and that it is this characteristic which makes for its individuality and distinguishes it from other countries.

[Mr. Boulanger.]

Mr. GOBEIL (Translation): As I wish to take part in this debate, as do also a number of my colleagues, and as I did not expect that this motion would be introduced immediately, I move the adjournment of the debate.

Mr. POULIOT (Translation): Mr. Speaker, speaking on the motion for the adjournment, it strikes me that my excellent friend, the hon. member who has just spoken, should be ready to address the house. He has only to read the articles which he has written in "l'Action Catholique" and which my hon. friend from Bellechasse has so ably disproved. The inscriptions on the jam pots are bilingual.

Mr. CHEVRIER (Translation): They are sticky.

Mr. SPEAKER: Is the motion for the adjournment of the debate seconded?

Mr. GOBEIL: Because the mover of the resolution has spoken in French, I moved the adjournment of the debate in that language.

Mr. SPENCE: I second it.

The house divided on the motion (Mr. Gobeil) which was agreed to on the following division:

YEAS

Messrs:

Anderson Toronto-High Park),
Baker,
Belec,
Bennett,
Boyes,
Burns,
Bury,
Chaplin,
Charters,
Cotnam,
Cowan (Long Lake),
Davies,
Dickie,
Duranleau,
Embury,
Esling,
Fraser (Cariboo),
Gagnon,
Ganong,
Garland (Carleon),
Geary,
Gobeil,
Gordon,
Guthrie,
Hanson (York-Sunbury),
Hay,
Jones,
Laflèche,
Lawson,
Loucks,
Macdonald (King's),
MacMillan (Saskatoon),
MacNicol,
McGibbon,
McGillis,
McLure,
Manion,
Morand,
Murphy,
Myers,
Perley, Sir George,
Plunkett,
Porteous,
Price,
Quinn,
Rhodes,
Robinson,
Rogers,
Ryckman,
Sauvé,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Spankie,
Spence,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,

Sutherland,
Swanston,
Thompson (Lanark),
Tummon,
Weese,
White (London),
White (Mount Royal),
Willis,
Wilson.
Wright.—69.

NAYS

Messrs:

Bertrand,
Bothwell,
Boulanger,
Brasset,
Brown,
Butcher,
Carmichael,
Chevrier,
Coote,
Denis,
Deslauriers,
Fournier,
Gardiner,
Gershaw,
Girouard,
Goulet,
Hanbury,
Heaps,
Hurtubise,
Kennedy (Peace River),
King, Mackenzie,
Lapointe,
Lucas,
MacInnis,
Mackenzie (Vancouver Centre),
Macphail, Miss,
Malcolm,
Marcil,
Mercier (Laurier-Outremont),
Mitchell,
Parent,
Pouliot,
Power,
Ralston,
Reid,
Roberge,
St-Père,
Speakman,
Spencer,
Stewart (Edmonton West),
Vallance.—41.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the motion.

Mr. GOTT: I was paired with the hon. member for Kent, Ont., (Mr. Rutherford). Had I voted would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted for the motion.

Mr. NICHOLSON: I was paired with the hon. member for North Timiskaming (Mr. Bradette). Had I voted, I would have voted for the motion.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted for the motion.

Mr. BOWMAN: I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted I would have voted for the motion.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugene Fiset). Had I voted I would have voted for the motion.

Mr. WEIR (Melfort): I was paired with the hon. member for Melville (Mr. Motherwell). Had I voted I would have voted for the motion.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted I would have voted for the motion.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted for the amendment.

Mr. CARDIN: I was paired with the hon. member for Pictou (Mr. Cantley). Had I voted I would have voted against the motion.

Mr. TOTZKE: I was paired with the hon. member for Fraser Valley (Mr. Barber). Had I voted, I would have voted against the motion.

Mr. HEPBURN: I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted I would have voted against the motion.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted for the motion.

Mr. DORION (Translation): I was paired with the hon. member for Lotbinière (Mr. Verville). Had I voted I would have voted for the motion.

Mr. PERRAS (Translation): I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the motion.

Mr. DUPRE (Translation): I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted I would have voted for the motion.

Mr. DUBUC (Translation): I was paired with the hon. member for Halifax (Mr. Black). Had I voted I would have voted against the motion.

Mr. DUPUIS (Translation): I was paired with the hon. member for Northumberland, N.B., (Mr. McDade). Had I voted I would have voted against the motion.

## CITY OF OTTAWA

### EXTENSION OF AGREEMENT WITH CORPORATION TO JULY 1, 1933

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution:

That it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1932.

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

Motion agreed to.

## DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister (Mr. Bennett) if there will be a report of the recent dominion-provincial conference; if so, will it be tabled shortly?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the interprovincial conference was a conference of representatives of the provinces and the dominion, and it was agreed that no record would be kept of the proceedings other than of the resolutions that were passed. They will be tabled in due course. They have already been printed in the press.

## UNEMPLOYMENT AND FARM RELIEF

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister (Mr. Bennett) if it is the intention of the government to introduce any legislation with respect to unemployment relief or farm relief at this part of the session; if so, can he indicate at once what the nature of the legislation will be?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it is not customary to indicate the character of legislation before it is submitted by formal resolution to the house. There will be legislation with respect to one or both of the matters mentioned. As to the form it will take, that has not been settled.

## DISARMAMENT CONFERENCE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Prime Minister if Canada will be represented when the disarmament conference resumes its work, and if so, by whom?

Right Hon. R. B. BENNETT (Prime Minister): Canada will be represented. As to the personnel of the representation that has not been settled. Cable communications have passed between the government of Canada and our representatives at Geneva, I can only say for the moment that we will be represented. It will depend entirely on the general character of the discussions by whom we may be represented, that is whether or not it is desirable to send anybody to Geneva for that purpose.

[Mr. H. A. Stewart.]

## CANADIAN POLICY IN THE FAR EAST

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Prime Minister (Mr. Bennett) whether the Secretary of State (Mr. Cahan) represented the view of the government of Canada when he spoke at Geneva about the Manchurian question?

Right Hon. R. B. BENNETT (Prime Minister): If the hon. gentleman will read the whole of the speech made by the Secretary of State for Canada, rather than the first part of it, which seems to have had much publicity in the newspapers, because it was sent before the speech was concluded, I think he will perhaps realize that many of the criticisms made of that speech were wholly unwarranted. As a whole, I think the speech does not bear the interpretation placed upon it. The Secretary of State had his instructions, and he made it abundantly clear,—I saw him in London—that his speech as a whole did not in any sense depart from them, although isolated sections of it might leave the impression that he was endeavouring to support one particular phase of the situation rather than another. I think the speech as a whole shows no departure from the general principles which I indicated to the house as being the views of the government in matters of this kind.

Mr. LAPOINTE: Then I assume he represented the views of the government.

Mr. BENNETT: He represented the government. And he believes that on a true interpretation of his remarks they are not open to the criticisms that have been urged. In view of the statement as a whole I cannot see that he departed from his instructions, but if you take isolated sentences you might arrive at conclusions entirely at variance with what was intended by the speaker. As he will be back here very shortly he will be able to explain the situation fully.

## IMPORTATIONS OF BUTTER

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the hon. Minister of Agriculture (Mr. Weir) if the government received complaints from western Canada, British Columbia particularly, in regard to importations of New Zealand butter?

Hon. ROBERT WEIR (Melfort): There have been certain representations made with reference to the importations of New Zealand butter.

Mr. E. O. BERTRAND (Prescott): Mr. Speaker, I should like to inquire of the Minister of Trade and Commerce (Mr. Stevens) as to what action will be taken by the government should there be importations of butter from Australia or elsewhere.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Such action as is necessary and proper under the statutes of this country.

## UNION WITH NEWFOUNDLAND

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, I would like to ask the right hon. Prime Minister (Mr. Bennett) if there have been any communications or correspondence with the government of, or with parties in, Newfoundland with regard to possible political union or arrangements with that dominion, and if so, will he lay copies of that correspondence on the table.

Right Hon. R. B. BENNETT (Prime Minister): I doubt not that the hon. gentleman with his love of order will realize that questions have already been placed upon the order paper in connection with that subject.

Mr. RALSTON: No, there are no questions about that. One is in regard to Labrador and the other in regard to the financial position.

Mr. BENNETT: Inasmuch as the hon. gentleman has raised the question now without notice, I can only say that there has been no correspondence in regard to the matter he mentioned; I think I am correct in saying no correspondence of any kind. Last fall, after a conference took place here, I think a personal letter was written to me by the Prime Minister of Newfoundland stating that if the matter were to be considered, ample opportunity would be afforded for discussion, something of that sort. But there has been no communication of an official character dealing with the matter to which the hon. gentleman refers.

## SURVEY OF NATIONAL PORTS

On the orders of the day:

Hon. I. A. MACKENZIE (Vancouver Centre): I would like to ask the hon. Minister of Marine (Mr. Duranleau) if it is the intention of the government to introduce any legislation based on the recommendations of the Gibb commission?

Hon. ALFRED DURANLEAU (Minister of Marine): I think it is the intention of the government to bring in legislation.

## TRADE RELATIONS WITH RUSSIA

Mr. J. L. BROWN (Lisgar): May I ask the Prime Minister (Mr. Bennett) if the government will shortly make a statement in regard to the proposed cattle deal with Russia?

Right Hon. R. B. BENNETT (Prime Minister): Tomorrow being a government day I see no reason why I should not make a statement at that time.

## PENSION ACT ADMINISTRATION

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I should like to inquire of the Minister of Pensions and National Health (Mr. MacLaren), when we may expect the report of the committee investigating the workings of the Pension Act.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, the report of this committee has been delivered to me and is now in the hands of the government. As to what further steps may be taken, I expect to be able to furnish this information at an early day.

## ESTIMATES—BUDGET

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I should like to inquire of the Minister of Finance (Mr. Rhodes), if he is in a position to inform the house as to when the estimates for the ensuing year will be presented, and also whether or not he hopes to be able to bring down his budget at an early day. I would direct his attention to the fact that we have been in session now for over two months.

Hon. E. N. RHODES (Minister of Finance): I anticipate that the estimates will be presented to the house this week, possibly on Wednesday, although I cannot be certain that that will be the day. I am sorry that I cannot give my right hon. friend a specific answer to the second portion of his question.

## SOLDIER LAND SETTLEMENT

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to ask the Minister of Immigration and Colonization (Mr. Gordon), if it is

the intention of the government to introduce legislation this year affecting soldier settlement upon lands.

Hon. W. A. GORDON (Minister of Immigration and Colonization): The position of soldier and other settlers upon lands owned by the Dominion government is now under review by the officials of the department, and although I cannot state definitely, it may be that some remedial legislation will be introduced at this session. I cannot state the exact nature of such legislation, but the action which the government intends to take will be announced in due course.

## INTERNATIONAL RADIO CONFERENCE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I should like to ask the Minister of Marine (Mr. Duranleau), when we shall be favoured with a report on his work in connection with the radio conference in Spain.

Hon. ALFRED DURANLEAU (Minister of Marine): My hon. friend will be satisfied within a few days.

Mr. LAPOINTE: Pretty soon?

Mr. DURANLEAU: Within a few days.

On motion of Mr. Bennett the house adjourned at 4.20 p.m.

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# Tuesday, January 31, 1933.

The house met at three o'clock.

## PENSION ACT ADMINISTRATION

### REPORT OF COMMITTEE TABLED

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): An inquiry was made yesterday by the hon. member for Muskoka-Ontario (Mr. McGibbon) with reference to the report of the committee investigating the administration of the Pension Act. I now take this opportunity of tabling the report.

## UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay on the table of the house a number of orders in council passed in pursuance of the relief legislation, referring to the payment of sums of money.

## RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce a bill to amend the Railway Act (rates on grain).

[Mr. Reid.]

Hon. R. J. MANION (Minister of Railways and Canals): I would ask the hon. gentleman to be good enough to allow this bill to stand for a day or two until I can give a short explanation, possibly tomorrow, which I think will obviate the necessity of introducing the bill.

Mr. REID: I shall be glad to agree to that

Motion stands.

## IMPERIAL ECONOMIC CONFERENCE

### EMPIRE CONTENT OF GOODS ENTITLED TO PREFERENCE IN GREAT BRITAIN

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I should like to ask the Prime Minister or the Minister of Finance if they can give me any information as to the truth of a statement appearing in this morning's paper to the effect that after the first of April next empire goods in order to obtain free entry into Great Britain must have a fifty per cent empire content in labour and materials. Is that correct?

Right Hon. R. B. BENNETT (Prime Minister): At the sessions of the Imperial economic conference which took place at Ottawa, the discussion as to empire content was carried forward for some time and various suggestions were made. Generally speaking, fifty per cent was regarded as a reasonable empire content, and the British government concluded from their standpoint that they would fix fifty per cent, effective from the first of April next, as sufficient empire content to entitle goods to the benefit of the empire preference. That refers, however, not to all goods, but to a limited number, particulars of which I shall in due course lay on the table of the house. The report in the press is a summary of what the intention of Great Britain is. We finally agreed at the time of the conference that each country could probably best decide for itself what would be a reasonable content, and the matter will be further considered at the meeting of the committee on cooperation which will be convened on the fourteenth of February.

Mr. EULER: Is there to be any uniformity in the matter?

Mr. BENNETT: That was a question that engaged our attention here, and it was concluded at that time that it was difficult to provide for uniformity. That was the reason why no conclusion was arrived at, as no doubt the hon. gentleman has observed from the record of the proceedings.

## PETER VERIGIN

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Several weeks before the adjournment of the house an order was passed for the production of papers relating to Peter Veregin, who the newspapers state is about to be deported. I should like to ask the Minister of Immigration when we may expect the papers to be brought down.

Hon. W. A. GORDON (Minister of Immigration and Colonization): Any papers that bear upon the Veregin referred to as Peter Veregin will be brought down. I regret if there has been any delay in bringing down the return. I shall immediately look into the matter and have the papers tabled as soon as possible.

## TARIFF BOARD

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): There have been several intimations to the effect that the personnel of the tariff board would be announced at the time of the opening of the house. Is the Prime Minister in a position to say who the members are, or whether the members have been selected?

Right Hon. R. B. BENNETT (Prime Minister): I think practically every hon. member of the house knows something of the difficulties connected with completing the personnel of the tariff board. In pursuance of the promise that was given that we would endeavour to obtain a board that would not be censured or criticized as, to use the language of one hon. gentleman, a board of political hacks, or at all events of not too pronounced a political stripe, we have been endeavouring to meet that view to the best of our ability, and I contemplate being able to make a statement to the house before the end of the week.

Mr. MACKENZIE KING: I suppose the Prime Minister has not felt that a conference with the opposition would be at all helpful in securing members who would be persona grata to both sides of the house.

Mr. BENNETT: The only difficulty, Mr. Speaker, that I would experience with that would be to know which opposition was meant —the rising tide, it is so said, opposite and to my right, or the ebb tide directly in front.

## SOLDIER LAND SETTLEMENT

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I understand that during the parliamentary recess the Minister of Immigration and Colonization came to some definite conclusions regarding soldier settlement policy. May I ask when he is going to give parliament and the country the information as to what these changes are.

Hon. W. A. GORDON (Minister of Immigration and Colonization): The same question was asked and answered yesterday, Mr. Speaker, but unfortunately the hon. member for North Battleford was not in his seat. There has always been, since we have been here, a definite policy with respect to soldier settlers which has been consistently carried out. I have set it forth on a number of occasions, and as I stated yesterday I have under review possible remedial legislation which I hope to be able to present to the house before the session is concluded.

## WHEAT SHIPMENTS TO GREECE

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): I should like to ask the Minister of Trade and Commerce with respect to a press dispatch dated December 24 last, announcing that Greece was negotiating with Argentine for wheat on account of some disagreement with the Canadian government. May I ask if a new agreement has been concluded with Greece, and has there been a decreased exportation of Canadian wheat to Greece within the past year?

Hon. H. H. STEVENS (Minister of Trade and Commerce): There is no new agreement with Greece. A very considerable quantity of Canadian wheat has been exported to Greece within the last few months.

## GOVERNMENT WHEAT PURCHASES

On the orders of the day:

Mr. THOMAS F. DONNELLY (Willow Bunch): Just before the house adjourned, the Prime Minister promised to give the house and the country a report on the government's activities in the wheat market during the past two or three years. When may we expect that statement?

Right Hon. R. B. BENNETT (Prime Minister): If the hon. gentleman will look at the record, he will find that that is not a correct statement. The discussion which took place between the hon. member for Battleford and myself finally explained the situation, and that undertaking will be kept.

## TRADE RELATIONS WITH RUSSIA

PROPOSED EXCHANGE OF CANADIAN CATTLE AND OTHER COMMODITIES FOR PETROLEUM AND OIL

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, some question has been raised regarding trade relations with Russia, and I thought that at this time it would be well to make a statement as far as possible covering the whole field.

1. A trade agreement was negotiated in 1921 between the United Kingdom and the Union of Socialist Soviet Republics. On August 22, 1921, and December 26, 1921, through appropriate minutes in council, the government of the United Kingdom were informed that Canada desired to participate in the arrangement, and a formula to be embodied in notes to be exchanged between the British foreign office and the Russian trade delegation with the object of making applicable to Canada the provisions of the trade agreement was approved by the Canadian government. Effect was given to this decision by an exchange of notes, under date of July 3, 1922, and the British trade agreement was applied to Canada from that date. Subsequently a Russian trade delegation was established in Canada.

2. A general treaty of commerce was negotiated in 1924 between the Union of Socialist Soviet Republics and the British government, but in November, 1924, after the Labour party was defeated in the general election, the new Foreign secretary, Mr. (now Sir) Austen Chamberlain, indicated to the Russian representative that the government found themselves unable to recommend the treaty in question to the consideration of parliament or to submit it to the King for His Majesty's ratification, so that Anglo-Russian commercial relations continued to be governed by the trade agreement of 1921.

3. Following like action by the United Kingdom, Canada formally recognized the Soviet government by letter from Mr. King, the then Prime Minister, dated March, 24, 1924, directed to Mr. A. Yazikoff, the Soviet official agent at Montreal.

4. In May, 1927, a search was made of the offices of the Anglo-Russian trade organization in London and as a result the trade agreement between Russia and Great Britain was terminated. The Russian representatives were requested to leave the country on the ground that as the result of the search it was conclusively proved that military espionage and subversive activities throughout the British empire were directed and carried on from the offices of the organization. The Russian Mission denied the statements but complied with the request to leave Great Britain, and the British representative in Moscow was simultaneously withdrawn. Canada took the same position as the United Kingdom. Mr. King, then Prime Minister announced that Canada had taken independent action and declared itself free from the obligations of the agreement, and he further stated that this action was being taken "on our own initiative as a result of the evidence we have before us at the present time" as well as on "the statement of the British Prime Minister in parliament", which "leaves no doubt as to propaganda being conducted by the agents of the Soviet". In the note sent by Mr. King to the Soviet official agent in Canada, he informed him that the Canadian government had concluded that the Soviet authorities had failed to "refrain from hostile action or undertakings and from conducting outside their own borders any official propaganda direct or indirect against the institutions of the British empire, which was an essential condition of the agreement as entered into by Canada as well as by the United Kingdom".

5. On April 16, 1930, a temporary commercial agreement was entered into between His Majesty's government in the United Kingdom and the government of the Union of Socialist Soviet Republics pending the conclusion of a formal treaty of commerce and navigation. The agreement was to remain in force until a commercial treaty was concluded subject, however, to the right of either party at any time to give notice to the other to terminate the agreement, which remained in force until the expiration of six months from the date on which such notice was given. The protocol contained a provision that the contracting parties were animated by the intention to eliminate from their economic relations all forms of discrimination, and that they agreed that, so far as relates to the treatment accorded by each party to the trade with the other, they would be guided in regard to the purchase and sale of goods, in regard to the employment of shipping and in regard to all similar matters by commercial and financial considerations only and, subject to such considerations, would adopt no legislative or administrative action of such a nature as to place the goods, shipping, trading organizations and trade in general of the other party in any respect in a position of inferiority as compared with the goods, shipping and trading organizations of any other foreign country.

6. In 1930 by chapter 3 of the statutes of that year parliament conferred upon the gov-

ernor in council power to place an embargo against goods imported from any country which was not a party to the treaty of Versailles.

On February 27 and December 10, 1931, pursuant to the powers thus conferred, orders in council were passed, the effect of which was to prohibit the importation of coal, wood-pulp, pulpwood, lumber and timber of all kinds, asbestos and dressed furs from the Soviet Union.

At the Imperial conference in August, 1932 a trade agreement was entered into between the United Kingdom and Canada. Article 21 of which reads as follows:

> This agreement is made on the express condition that, if either government is satisfied that any preferences hereby granted in respect of any particular class of commodities are likely to be frustrated in whole or in part by reason of the creation or maintenanced directly or indirectly of prices for such class of commodities through state action on the part of any foreign country, that government hereby declared that it will exercise the powers which it now has or will hereafter take to prohibit the entry from such foreign country directly or indirectly of such commodities into its country for such time as may be necessary to make effective and to maintain the preferences hereby granted by it.

Having regard to the provisions of the temporary trade agreement entered into by the United Kingdom with the Soviet Republics in 1930, as above mentioned, effect could not be given to article XXI so long as that trade agreement continued in force. In consequence of this, the British government on October 17, 1932, notified the Soviet government of the termination of the agreement, which would thus be terminated six months from that date, or on the seventeenth day of April, 1933. The British government at the same time intimated their willingness to open negotiations with the Russians for a new agreement. It was not suggested at any time during the discussions at the Imperial conference that Great Britain should cease to trade with Russia. On the contrary, the British representatives made it perfectly clear at all times that trading operations on a large scale had been carried on and that credits had been established which, in point of fact, were renewed shortly after the conclusion of the Ottawa conference. Similarly, except for the articles covered by the embargo there have never been any restrictions on trading between Canada and Russia, except that in 1931 Russia placed an embargo against the importation of any commodities from Canada.

Later in 1932 a private arrangement was made between an aluminum company in Canada and the Soviet government, under which a certain quantity of aluminum was purchased and paid for by petroleum. The government of Canada was not a party to the transaction except in so far as it became necessary to determine the duty payable on the imported petroleum.

It may be of interest to the Manchester Guardian and other British papers which have been so vigorously assailing the government during the last few weeks that, in consequence of the embargo against the importation of Russian coal, employment has been afforded to Welsh and Scotch miners to the extent necessary to produce for importation into Canada during the calendar year 1932, 1,399,086 tons of anthracite coal.

While returning to Canada from Great Britain, in December last, I received press messages by wireless that an agreement had been concluded between Canada and Russia for the exchange of Canadian cattle, hides, and other commodities for Russian petroleum and coal. I replied that there was no foundation for such reports. No communication of any kind has been received from the Soviet government in this regard.

It would appear that one G. G. Serkau, with associates, conceived the idea of doing a barter business with Russia, and Mr. Serkau, having seen Mr. Weir, the Minister of Agriculture, at Ottawa, proceeded to New York and later to Moscow in connection with the business. As a matter of fact he went there apparently as the emissary of a syndicate, the expenses being provided by one well-known member of it. Although he alleges that he had communication with the authorities there, he has produced no evidence that he has any agreement with the Soviet government, and no communication regarding his proposals have been received from them. The mere statement of what the proposals of Mr. Serkau are would be sufficient to indicate that this is an effort to make very substantial profits under circumstances to which I shall presently refer.

On December 21 last, Mr. Serkau wrote Mr. Weir, the Minister of Agriculture, as follows:

> Since we aim to obtain for the Canadian cattle producers at least five cents for grade, and a much higher price for registered stock, the total amount payable by the Russian government for 100,000 head of cattle, including freight, etc., will be in the neighbourhood of $8,000,000. On the other hand, the prices at Black sea ports of the commodities that Russia is to give in return are so low that it will require an enormous tonnage of petroleum products, etc.
>
> Having in mind the time required for marketing and storage facilities in Canada, I

am of the opinion that there will be substantial balances owing to our corporation from time to time, unless, of course, we are to renew negotiations with Russia for a much slower delivery of the cattle, say over a period of two or two and a half years instead of twelve months. This, however, I fear, will militate against our chances of producing the desired effect, i.e., to increase the price of cattle in Canada. Moreover, particularly in the case of western grade stock, you will appreciate that during the months of July to November, we will have to lift enormous numbers of cattle.

I believe that my associates and myself, with what capital we could muster and with expected assistance from banks or other sources, could finance the purchase of a cargo or two of cattle, including the freight and expenses to Black sea ports. This, I estimate, would be about $1,000,000. Therefore, if we could take sufficient quantities of kerosene, lubricating oil and anthracite we could probably get along without any financial support from your government. Or, if we spread the deliveries of cattle over a period of two or two and a half years, as I said before, we may be able to market the products received in payment as we deliver the stock.

But I am firmly convinced that it will be necessary for us to ship the live stock within the twelve month period, in fact, perhaps deliveries would almost have to be completed by November of 1933 if we are to serve the interests of the Canadian live stock producers. I expect also that it would be unsafe to estimate that we could handle the enormous tonnage of petroleum, etc., within that period.

Therefore, I think it would be wise to figure on a basis of your government guaranteeing Russian seven per cent bonds payable June 1, 1935, for such balances as may be owing to our corporation from time to time. The total amount involved in such guarantees I would estimate at not more than $4,000,000, at any time and only very little of these bonds will remain unpaid at the end of the term, for the reason that we will be taking deliveries continuously and the value of such deliveries will be applied on the bonds.

In asking for this support from the government, our corporation would be prepared to employ the government's nominee as comptroller of disbursements and receipts.

I learned abroad that the German government established a credit to Russia of $75,000,000 and cashed Russian bonds at par as these bonds were received by German exporters and presented to the treasury. The British government guaranteed Russian bonds received by British exporters to the extent of sixty per cent. This partial guarantee satisfied the British exporters owing to the fact that they increased their prices to Russia to such an extent that sixty per cent paid them for their merchandise, plus reasonable profits. Our case is somewhat different inasmuch as the increase in prices of live stock from the present market price of two and one-quarter cents to five cents per pound, will enure to the benefit of the producers and not to our corporation. Therefore, it will be necessary for us to have balances fully guaranteed.

It should be observed that the nature of this transaction is largely in the interests of the live stock industry, the profits to myself and my associates being merely brokerage commission.

[Mr. Bennett.]

One other form of support that I imagine we will require is some manner of protection against breach of contract by the Russian government. While we will under no circumstances make any disbursements until the contract has been signed on behalf of the Russian government and until a representative of that government has arrived in Canada and approved of live stock purchases, still I fear that careful bankers, under present conditions, will demand some manner of assurance that our corporation will incur no loss if the Russian government should fail to accept the cargoes of stock, or fail to deliver the products to be given in payment. This, of course, could, at the most, only involve a cargo or two of live stock, and I do not believe that there is the slightest chance of default by the Russian government, but I do expect to be confronted with that question when applying for assistance from banks even for short term financing.

Accompanying the communication was a memorandum of suggested conditions of trade transactions between the Union of Socialist Soviet Republics and the Canadian syndicate, represented by Mr. Serkau; but there is no evidence that the Soviet government or its representatives ever agreed to these proposed suggestions, and on being pressed Mr. Serkau had to admit that they were merely notes of suggestions that he himself made. The memorandum reads as follows:

Suggested conditions of a trade transaction between the U.S.S.R., hereinafter referred to as the "Union," and

The Canadian syndicate, represented by G. G. Serkau, hereinafter referred to as the "Syndicate."

The union to purchase from the syndicate 100,000 live cattle (to include five per cent pedigreed and registered stock) within a period of one year from the date of the contract. The stock to be purchased by the syndicate from Canadian producers in the presence of inspectors of the union.

The price of live stock to be cost plus cost of purchasing, maintenance, freight, insurance, etc., plus one cent per pound.

That is the brokerage. It only runs between twenty and thirty per cent!

The syndicate to deliver the live stock to Black sea ports and to receive at Black sea ports credits to be given by the union on account of payment for the stock purchase.

To apply on payment for the stock so purchased the union is to deliver to the syndicate f.o.b. Black sea ports the following products in quantities as hereinafter stated:

Petrol: During the months of April to October, 1933, both inclusive, 2,000 metric tons per month.

During the months of November 1933, to March 1934, both inclusive, 5,000 metric tons per month, and

From April 1934, to the end of the term, 20,000 metric tons per month.

Kerosene: Beginning with April 1933, from 5,000 to 15,000 metric tons per month during the term.

Lubricating Oil: Beginning with April 1933, from 200 to 1,000 metric tons per month during the term.

Anthracite: Beginning with the month of April 1933, from 3,000 metric tons to 20,000 metric tons per month during the term.

In the above, in every case where the tonnage is in varying quantities per month, such variations shall be at the option of the syndicate.

The syndicate to have the privilege of buying from the union, pulpwood for delivery in the United States of America, and shall apply the value of such pulpwood purchases on account of payment of the live stock sold to the union. The prices of all the products to be delivered by the union in payment of stock purchases herein to be, in the case of petroleum products prevailing universal or basis current Gulf prices, and for anthracite the price to be not in excess of the prices paid by Canadian importers of anthracite coal from British exporters. The syndicate in any event to be paid in full for the live stock etc., sold to the union on or before June 1, 1935, by the application of products delivered to the syndicate, and the balance in cash at the end of the term. Balances owing by the union to the syndicate from time to time shall be subject to interest at seven per cent per annum, such interest charges to commence on the dates of advances made by the syndicate with respect to purchase of live stock or expense advances, and the union to be credited with the value of its deliveries of products as above, on the days when such products have been loaded into ships for shipment into Canada.

The reply of the minister to this communication and memorandum was to request that he be given such information as would satisfy him that any agreement existed between Mr. Serkau and his associates and the Soviet union. This information has not yet been supplied. The letter reads as follows:

Ottawa, December 23, 1932.

G. G. Serkau, Esq.,
Chateau Laurier,
Ottawa, Ont.

Dear Mr. Serkau:

I would refer you to the subject matter of our discussions on various occasions since the 15th October, and particularly since your return from Russia, with regard to the purchase in Canada of 100,000 head of cattle for export to Russia, in exchange for petroleum products etc., from that country to Canada.

I would be glad to place before my colleagues the proposed transaction as outlined in the memorandum which you submitted upon receipt of a definite statement from you that the government of the U.S.S.R. is desirous of entering into trade on such a basis as you outlined.

Yours very truly,
R. Weir.

No further communications have been received in that regard.

I think this house will agree that no Canadian government would seriously consider a proposal to provide credit facilities for a syndicate of vendors and at the same time to guarantee that the alleged purchaser, the Soviet government, would discharge its obligations to the vendors.

Shortly put, the matter stands in this light. Proposals were made on behalf of promoters desirous of entering into a commercial transaction for profit. The proposals are in writing. They contemplate the payment by the purchasers of commission of from 20 to 30 per cent depending upon the value of the live stock, the commission being one cent per pound. A request was made that a guarantee be given not only for one half of the entire suggested purchase price, namely $4,000,000, but also that the government of Canada should guarantee that the government of Russia would keep its alleged undertakings with those who put them forward. That is the proposal.

The minister, before even submitting it to the government for consideration, asked for evidence of the bona fides of the transactions. It has not yet been received and those who are interested in the propaganda that has been carried on in this country by at least two public newspapers, and the manner in which it has been carried on, will be able to decide for themselves whether or not despatches, sometimes carrying a date line of a community in which they were not written, to arouse, on the strength of statements that were made in the public press or elsewhere, we do not know, anticipations which were incapable of realization, are conducive under present conditions to the national welfare.

Mr. STEWART (Edmonton): I should like to inquire of the Prime Minister whether he has read all the correspondence that has passed between the minister and the syndicate.

Mr. BENNETT: I believe so.

Mr. STEWART (Edmonton): If not, I would be glad to be furnished with any further correspondence in connection with the matter.

Mr. BENNETT: The hon. member means: Have I read here to-day all the correspondence?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: I have read the relevant part of the correspondence. There was a communication from Mr. Serkau to the minister about the health of cattle in Canada, whether they were free from tuberculosis.

Mr. STEWART (Edmonton): I am not concerned in that correspondence. The correspondence I am concerned in is with respect to this particular transaction.

Mr. BENNETT: I have read all of which I am aware.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): In the early

part of his statement the Prime Minister referred to the action of the late Liberal administration in withdrawing certain privileges that had been conceded to the Russian agency in Canada at the time that Canada became a party to the commercial treaty between Great Britain and Russia. I think my right hon. friend in a subsequent portion of his statement made it clear that the action taken by the then administration was not intended in any way to interfere with trade between Canada and Russia; it was simply that certain diplomatic privileges which had been granted to this agency were cancelled on the score of evidence which we had at the time that the Russian government had not fulfilled the conditions on which the original treaty had been entered into. I think I am correct in saying that a communication was given to the house at the time by myself to the effect that the action of the Canadian government was not intended in any way to interfere with perfect freedom of trade between Russia and Canada so far as individuals were concerned.

Mr. BENNETT: There has been no departure from that except in so far as the order in council which I read placed an embargo against certain named commodities.

In view of the fact that members may desire an opportunity to make any observations they please with respect to the matter, while I have made no formal motion, because I do not know of any motion except one to adjourn, with your permission, sir, I would be quite willing that a discussion should take place and I would endeavour at the conclusion of it to give any explanation that might be thought desirable.

Mr. MACKENZIE KING: I appreciate the offer the Prime Minister has just made. I think it would be preferable to allow us to read the statement which my right hon. friend has given to the house and perhaps at a later stage we shall have an opportunity of discussing it.

## INCOME WAR TAX ACT

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 11, to amend the Income War Tax Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Geary in the chair.

On section 1—Personal corporation.

Mr. MACKENZIE KING: Perhaps the minister would give us a brief explanation of the bill. It is some time since we have had an opportunity of considering it.

[Mr. Mackenzie King.]

Mr. RHODES: Sections 1, 2, 3 and 4 are designed to amend the law relating to personal corporations. I shall have the statute here in a moment or two, but it will be remembered that the income tax law creating personal corporations was enacted in 1926. This law was made applicable to personal corporations as then described existing in 1925 and thereafter. Prior to that time the law had been that a company paid a company tax and the individual shareholders paid a tax only as and when dividends were declared. Realizing that the company tax was but 9 per cent—I am speaking now as of that time—and the individual tax by successive brackets of income rose as high as 40 per cent on incomes up to $140,000 and higher in the higher brackets if an individual had an income above that sum, many individuals resident in Canada were incorporating companies which they controlled, the income of which was not a manufacturing or merchandising one, but was income derived from stocks, bonds, debentures, real estate, such as dividends, interest, rent and so forth. This income was taxed at corporation rates of taxation and higher bracket rates were avoided. The personal corporation section, in effect, for taxation purposes ignored the existence of the company and continued to tax the individual on the income of the company as if the individual had received it direct, and thus brought the income by brackets for taxation purposes under the increasing rates of taxation. To this law there was no objection. However, evasions of the law were effected by incorporation of companies outside Canada. Although they were owned entirely within Canada, they were controlled outside Canada and an attempt was made by that method to avoid income taxation in Canada. It is proposed now to make it clear, as it is believed was always the intention, that notwithstanding the fact that an individual company, person or corporation may be incorporated outside Canada, and the assets may be held outside the country, inasmuch as it is owned and controlled in Canada its income should be taxed in the same manner as if it were the income of a company located and managed in Canada.

Mr. STEWART (Edmonton): How will the minister obtain the information in that event? Take the case of a company incorporated outside Canada but doing business in Canada, just as any foreign company might be doing business here. What method will the minister adopt to establish the fact that it is a Canadian company? How will he succeed in establishing that fact?

Mr. RHODES: The best answer I can give to that question is a twofold one. In the first place the mere fact that this proposed legislation has been introduced into this house has had the effect already of bringing substantial sums of money into the treasury from companies of that character. In the second place there must come a point where the individual Canadian, if he is to derive any advantage from his income, must eventually bring some of it back to the country.

Mr. STEWART (Edmonton): Then it is taxable.

Mr. RHODES: Yes, and the knowledge then becomes available.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Shareholders to file statement of personal corporation.

Mr. POWER: Subsection 7 reads:

"(7) The shareholder of a personal corporation who controls such corporation shall file with his income tax return a statement of the assets, liabilities and income of the personal corporation.

Should it so happen that this personal corporation is controlled by a combination of individuals, "his wife or any member of his family", which shareholder shall file the return? I think this provision ought to be amended to make that point quite clear.

Mr. RHODES: The Commissioner of Income Taxation will be here in a moment but my impression is that the knowledge as to the ownership of a personal corporation is common. As a rule a personal corporation, although there may be several shareholders, is in effect owned and controlled by one individual.

Mr. POWER: The definition of personal corporation is given in section 1 of this bill:

Personal corporation means a corporation or joint stock company . . . controlled, directly or indirectly, by one individual who resides in Canada, or by one such individual and his wife or any member of his family, or by any combination of them or by any other person or corporation or any combination of them. . . .

I would suggest that perhaps it would be well to enlarge the scope of subsection 7 to cover combinations of shareholders instead of one shareholder.

Mr. RHODES: We might let that subsection stand for the moment. Later on I will deal with the point my hon. friend raises.

Mr. RYCKMAN: I believe the hon. member will see that the proposed amendment is perfectly clear if he will read the interpretation of "personal corporation" which is given in chapter 97, of which this is an amendment. That definition reads:

"Personal corporation" means a corporation or joint stock company (no matter when or where created) controlled directly or indirectly by one person. . . .

Mr. HANSON (York-Sunbury): Section 1 of this bill sets up a new definition which in effect repeals the other.

Section stands.

On section 5—Non-resident Canadian officials—allowance.

Mr. RHODES: I will ask the Minister of National Revenue to move the following amendment to this section:

That section 5 of the bill be amended by inserting after the word Canada in the second line thereof these words: "or an agent general for any of the provinces of Canada, or any officer, servant or employee thereof."

Amendment agreed to.

Section as amended agreed to.

On section 6—Persons liable to tax.

Mr. RYCKMAN: I move that section 6 be amended by inserting after the word Canada, as first appearing in line four thereof, the following words:

or an agent general for any of the provinces of Canada, or an officer, servant or employee thereof.

Mr. POWER: Do I understand from this section that employees or servants of the government of Canada or agents general of any of the provinces who reside, let us say, in the United Kingdom or in the United States, are subject to Canadian income tax?

Mr. RHODES: Yes. This means that the class of officials defined in this bill shall be subject to income taxation in Canada, but in making out their income tax returns they can receive credit for any income tax they pay on their official salaries in the countries in which they are located.

Mr. EULER: Are the employees of other countries resident in Canada subject to our income tax? My understanding was that there were to be reciprocal exemptions.

Mr. RHODES: In all cases, so far as I know, there are such reciprocal exemptions, but this statute provides that in the event of taxation being imposed, then allowance may be made to the extent of such imposition. Where taxation is not imposed, then we subject such incomes to taxation.

Mr. POWER: I would direct attention to a class of persons who have been specially taxed under legislation of last year; I refer to the judges. Perhaps this is not quite relevant to what is under discussion, but I understand that a special income tax of ten per cent has been imposed on judges. There are income taxes other than those imposed by the federal government; in some cases there are provincial and municipal taxes. Certain judges are now being forced to pay their municipal or provincial income taxes upon the basis of their salaries which have been in fact reduced by the special income tax imposed last year upon members of the judiciary, the military forces and the police. The result is that these people who draw salaries from the Dominion government are being discriminated against much more than the ordinary civil servant who has received a straight ten per cent cut. Judges, officers of the army and officers of the police are being made to pay a special income tax of ten per cent to the federal government and are then being taxed by the municipality or the province upon the basis of their nominal salary.

Mr. RHODES: The objection just raised by the hon. member for Quebec South (Mr. Power) is one which is applicable not only to judges but to all those who pay income tax. This objection has been raised times without number with respect to all income tax payers. There is no doubt that in a measure an injustice is done to the individual who receives a stated sum of money and pays income tax upon that amout and when a second taxing authority comes along is forced to pay not only upon the amount which remains to him after the first income tax has been levied but also upon a sum which he does not receive. In some instances there is a third taxing authority which comes along and does the same thing. It seems to me that in equity there should be some distinction made but the difficulty is to ask a taxing authority which is competent and fully within its taxing sphere to forego its rights and permit another taxing authority to be considered as superior and having the first choice, as it were. I do not think it is incumbent upon the dominion treasury to defer to the provinces or municipalities in a matter of this kind, but it does seem to me—this is merely my own view, it is not the considered view of the government—that if there are, we will say three income taxes imposed upon the one income, the residuum remaining after the dominion has imposed its tax should be the sum upon which the province could impose its taxation and continuing along the line to the municipality, its tax should be imposed upon the residuum then remaining to the individual. However, I do not think the remedy is one which can be sought in this parliament.



Mr. POWER: If the minister desires a remedy I might suggest that had he and his colleagues paid some heed last year to our representations upon this matter he would have imposed a straight ten per cent cut upon the salaries of judges and others and would not have taken a roundabout way by making them pay a special income tax. That is the burden of my complaint. For example, a judge who is receiving $12,000 would receive $10,800 if his salary had been cut ten per cent, and the municipal or provincial income tax would have been imposed upon that amount. Under the legislation which exists at the present time by which these judges have to pay a straight ten per cent income tax, they have still to pay the municipal or provincial tax upon the $12,000 salary.

Mr. RHODES: As my friend must realize, this discussion is at the moment largely academic.

Mr. POWER: It is not academic.

Mr. RHODES: It is so far as any effect upon judges or others is concerned. For that reason I do not think that any advantage will accrue, at this stage at all events, from pursuing the discussion with my hon. friend.

Mr. STEWART (Edmonton): I had hoped that this matter would have been one of the subjects for discussion at the recent provincial conference. May I point out that there are others besides the judges who are suffering the same effects. I do not see any possibility of there being a reduction in taxation, on the contrary I think the minister will have to increase taxation, but the fact remains that this matter of duplication of taxation imposed upon not only judges but other individuals is something which should be settled by arrangement between the federal and provincial governments.

Mr. RHODES: I quite agree with the hon. member for Edmonton (Mr. Stewart). And as I said to the hon. member for Quebec South (Mr. Power), I think it is unfortunate but I believe the remedy can be applied only in the manner I have suggested. I do not think the dominion treasury should be expected to defer to the provinces and the municipalities. This matter has been discussed by the dominion and provincial authorities before.

Mr. POULIOT: Would it be possible for our distinguished high commissioner in London, the Hon. Mr. Ferguson, to pay his income tax with humbug, the Hon. Mr. Herridge in Washington to pay his with Hooverism, and the Hon. Mr. Marler with ambassadorial dignity? If that were done I am sure the debt of the country would soon be wiped out.

Section agreed to.

On section 7—Information returns.

Mr. RHODES: There has been considerable misapprehension in the minds of the public in connection with this section. The idea has got abroad that there has been a change in the time and method of filing income tax returns but of course those who have read the proposed amendment know that there is no difference whatsoever in the system. The income tax returns will be filed at precisely the same time as hitherto has been the case. This section provides that the returns made to the income tax authorities by incorporated companies and giving a list of the shareholders who are in receipt of dividends shall be accelerated in its preparation and in the hands of the income tax authorities a month earlier than has been the case previously. This will enable the income tax office more conveniently to prepare its assessments and speed up the sending out of accounts. As I understand it, no objection has been raised in the great majority of cases. It may be that in the case of the odd individual company which has a large number of shareholders, the amount of labour involved would impose a hardship upon the company if it were called upon to present its return a month earlier, but that class of company would compose only a fraction of those making these returns. If a case is made out by such a company there is a provision in the law which enables the minister to provide for a deferred return. I might further point out that inasmuch as this legislation was introduced some months ago and the section was drafted with a view to its passing probably at an earlier stage in the session, to give effect to it at this later day might impose a hardship on some companies, and therefore it is not the intention of the income tax authorities to have this apply to the income tax returns of this year. If this passes it will remain on the statute books, and it will be known to the companies that their returns need not be accelerated until one year hence.



Mr. EULER: The minister has pretty well anticipated an answer to a question I was going to ask. Apparently he is merely asking for an earlier return by one month. I had in mind, and I think the public had in mind, that this one month's earlier return might merely be in preparation for a demand of one month's earlier payment of income tax, as might be provided when my hon. friend brings down his budget; but I gather from his remarks, that there is no intention of asking for an earlier payment of the tax than has been the case in the past. Perhaps my hon. friend does not desire to give an answer to that question, but it does occur to one that the reason for asking for an earlier return by one month is that it is the intention to ask for an earlier payment by one month.

Mr. RHODES: My hon. friend will appreciate that I am estopped from stating what may be the provisions of any budget that I or any successor of mine might bring down. At the same time I can assure my hon. friend that this provision has no bearing, nor can it be construed as having any bearing, upon the case which he raises.

Mr. EULER: It was only an inference—

Mr. RHODES: And the inference was not warranted.

Section agreed to.

On section 8—Continuation of liability for tax.

Mr. POWER: Have there been cases where it has been successfully contended that the minister cannot re-assess if the first assessment has been found to be insufficient?

Mr. RHODES: This is simply to make clear beyond question that the right of the government to income tax is in no way to be hampered by reason of returns having been filed, nor is the government to be estopped from collecting what may be due by reason of the fact that it has accepted income tax on a given set of figures. In reply to my hon. friend's question, that point has never been contested in practice, as I understand it.

Mr. POWER: The old section was pretty broad. It read:

> 55. Any person liable to pay the tax shall continue to be liable, and in case any person so liable shall fail to make a return as required by this act, or shall make an incorrect or false return, and does not pay the tax in whole or in part, the minister may at any time assess such person for the tax, or such portion thereof

as he may be liable to pay, and may prescribe the time within which any appeals may be made under the provisions of this act from the assessment, and may fix the date of payment of the tax.

Mr. RHODES: Notwithstanding the apparent clarity of that language, the fact remains that many people still have the view that unless they make a false return, once they have made a return the government is estopped from going back.

Mr. STEWART (Edmonton): But the government have gone back.

Mr. RHODES: Certainly, and I want to make that very clear. Furthermore, quite improperly, some people have taken the view from the use of the words "incorrect or false return" that provided they make a bona fide return, notwithstanding the fact that it may subsequently turn out to have been an incorrect return, the government is estopped from going back and correcting the error simply because it was not a false return. The new section is merely intended to clarify the language and to make perfectly clear what the intention is.

Mr. HANSON (York-Sunbury): Has there been any legal decision that once an assessment has been made the minister is estopped? I would like to remind the minister that the principle of estoppel does not apply against the crown.

Mr. RHODES: It applies if there have been appeals from the decision of the minister to the Exchequer court, but the amendment itself is not in dispute. The issue is a question of fact; whether the individual or company paid income tax on the correct amount.

Mr. HANSON (York-Sunbury): Not a question of jurisdiction?

Mr. RHODES: No.

Mr. HACKETT: I doubt if this section can be satisfactorily disposed of without reading section 10. The committee will notice that section 10 provides that different sections of the bill may be applied to periods in the past of varying lengths. It becomes retroactive to 1926, as regards some sections, to 1925 as regards others, and to 1917 as regards section 8. I think that an attempt will undoubtedly be made, and fairly, to interpret section 55 as amended as giving clear authority to the crown to review all assessments made since the act came into effect in 1917. Now if there is one upsetting influence in business, whether it arises from changing tariffs or fluctuations in currency, it is uncertainty, and if a company, having settled with the income tax branch sixteen years ago, and having acted upon the assumption that it has paid to the crown all that it owed, is now to be asked to pay substantial sums for past periods, results untoward and pernicious may well follow. There is no finality. Let us imagine a company which made large profits in 1920. The company made its return—



Mr. POWER: This applies to individuals also.

Mr. HACKETT: But it does not go back so far with respect to individuals. The company made its return and paid its tax in good faith, and has gone on through the years on the assumption that it owed nothing more because it received a receipt in full, and now it is asked to pay a very substantial amount. That might result in bankruptcy for some companies. It might result in unemployment. It certainly would result in uncertainty. I submit that whatever merit is to be found in the section, it should not be made retroactive. Taxation is an ill to which we must all submit, but it is well that we should know its exact purport and extent, and that having settled and having shaped our course on the settlement made, we should not be asked to review a situation that has been closed. The great criticism of taxation legislation in the United States is that there is never any finality; the tax-payer is assessed and pays his tax, and years afterwards is re-assessed and subjected to all the penalties that result from dishonesty. I therefore suggest to the minister that this section as drafted, with the implications that are found in section 10, should receive most careful scrutiny if he wishes to avoid the troubles and the worries and the real hardship which will result from making any legislative act retroactive for sixteen years.

The ACTING CHAIRMAN (Mr. Geary): It seems to me we are going far afield, and that we ought to confine our discussions to the section now before us.

Mr. HACKETT: It is impossible to discuss section 8 fully without referring to section 10.

The ACTING CHAIRMAN (Mr. Geary): We discussed sections 1, 2 and 3 without section 10, and in my view we were doing exactly the same thing at that time.

Mr. HACKETT: With the slight difference, Mr. Chairman, that sections 1, 2 and 3 go back two or three years and that the others go back sixteen years.

Mr. STEWART (Edmonton): My hon. friend would not suggest fraud should be covered in the returns.

Mr. HACKETT: No.

The ACTING CHAIRMAN (Mr. Geary): Shall we discuss retroactive sections, or take them in order?

Mr. HANSON (York-Sunbury): To a great extent I agree with the remarks of the last hon. member but I would not go so far as to say that in the case of a dishonest return the crown should not have the right to reopen.

Mr. HACKETT: That is not the point, so far as I am concerned.

Mr. HANSON (York-Sunbury): I should like to put these facts before hon. gentlemen and have their opinions: What about the case of an estate where there was an incorrect return, distribution has taken place fifteen years ago, and clearance certificates have been issued to the executors and trustees? That may be extreme, I am referring to an incorrect return of an estate in which those making the return have acted in a purely representative capacity, in which distribution has been made, and upon which the trustee has acted, and concerning people who may have died or married, or in other ways changed their status. Where will the end be? Surely that case should appeal to the minister.

Mr. RHODES: The clause I have presented does deal with such circumstances. I am hoping that no such injustice will arise, because the crown would be estopped from going back over the old ground.

Mr. HACKETT: Estoppel does not apply to the crown.

Mr. HANSON (York-Sunbury): I could show the minister case after case in which the crown has not been bound by the principle of estoppel. I remember, that in a case against the crown in which I appeared I discovered decision after decision where the crown was not bound by the principle of estoppel.

Mr. RHODES: I do not wish to engage in a long legal discussion with the hon. member, but I understand it is a principle of law that the law of estoppel does not apply to the crown. I say however that to all intents and purposes, so far as the administration of the income tax is concerned, it does apply. If my hon. friend would refer to section 55 he would see that if the trustee carries out his duty he will get a certificate of clearance from the income tax department.

Mr. BURY: I draw attention to the words appearing in the first line of the new section. As it reads now it provides, "Notwithstanding any prior assessment," without qualification whatsoever. I suggest that after the words "any prior assessment" the words "based on an inaccurate return" should be added. Otherwise the provision of the act, even though there may be an accurate return, leaves the income tax payer open to liability. The suggested section reads: "Notwithstanding any prior assessment, or if no assessment has been made, the taxpayer shall continue to be liable for any tax." Surely there is no intention to continue the liability of a taxpayer if his return has been made accurately, and if the assessment and payment have been made on an accurate return.

The ACTING CHAIRMAN (Mr. Geary): What liability would remain?

Mr. BURY: His liability for his assessment, so it says.

The ACTING CHAIRMAN (Mr. Geary): There is no liability.

Mr. BURY: The statute says it shall remain.

The ACTING CHAIRMAN (Mr. Geary): But it cannot remain if it does not exist.

Mr. RHODES: My hon. friend should read this section in conjunction with the whole act. If a return is accurate, that is the end of it. The assessment would be accurate also.

Mr. POWER: There should be a distinction where a return is accurate, but the assessment inaccurate, and where the department has asked for a further payment.

Mr. BURY: I merely call attention to the fact that the original act contains the very phrase to which I have referred.

> Any person liable to pay the tax shall continue to be liable, and in case any person so liable shall fail to make a return as required by this act, or shall make an incorrect or false return—

And so on. Why not include the same provision in the new section?

Mr. RHODES: I pointed out that in practice those words have been interpreted by the individual making out his income tax return in the sense that there must be an element of falsity in the return. That is not the intention at all. A return may be incorrect or inaccurate and may still have been submitted in all good faith, and with the honest belief that it was correct. I have already explained that is the reason the words

"incorrect or false" have been eliminated in the proposed new amendment. It has always been the intention in the administration of the act that those persons subject to the tax would remain subject to it only until they had fulfilled their obligations to the crown by virtue of the act.

Mr. EULER: I am in accord with what has been said, so far as fraud is concerned. In my view there should be no limit upon the liability of the individual who has committed fraud. But in cases where incorrect returns have been made and, as the minister has stated, where they have been made in absolute good faith, I think there ought to be some sort of finality. A concern might very easily make a return in good faith, but in that return there may be inaccuracies. Where there is a responsibility upon the department to see that correct returns are made, and where it would appear that returns have been made in good faith and no fraud can be proved, I believe the returns should be finally approved. To my mind there should be at least that protection given the taxpayer. If after a lapse of two or three years no fault is found with a return, it may be that an individual may make a distribution of his assets or his profits, and he may find that in a period of eight or ten years he is faced with notice of an inaccuracy of which he did not know. In those circumstances I believe he would not be fairly treated, and it would not be just to ask him to pay with means he no longer possesses. I believe there should be reasonable consideration in those cases.

Mr. RHODES: I have no fault to find with the spirit shown in the remarks by the hon. member for North Waterloo. His remarks are based upon the premise that injury may be done to an individual making a return. But let me point out to my hon. friend that this very provision can be a protection to the individual. Because it has transpired in other countries, where the attempt has been made by statute to reach finality in the matter of returns, that the income tax authorities in many instances, realizing that it was their last chance, made sure that the assessment upon individuals was sufficiently large to be beyond question on the safe side.

Mr. EULER: That is not fair. It is dishonest.

Mr. RHODES: It may be dishonest; I am speaking of the actual facts of administration. It is not so in this country, but it has been in other countries. It seems to me that basically there can be no objection by the individual, he is only called upon to pay his honest tax, he should pay it the same as other individuals, and should not escape because of the fact that errors have arisen. However well-intentioned he may have been, however honestly these errors may have occurred; he should pay his just share. It seems to me cases of injustice under these circumstances would be far fewer than if, once having made a return, that was the end of the matter.

Mr. EULER: Why should not the statute of limitations apply in this case the same as in others?

Mr. HANSON (York-Sunbury): I was about to make some remarks about this question of finality to which my hon. friend on the other side has referred. Notwithstanding all that the minister has said, there are in the provincial jurisdictions local statutes of limitations against the crown. There is no reason in the world why there should not be some limitation in the case of a man who has made an honest return, but has inadvertently made a mistake. I do not think you ought to go back so far. I would ask the minister to give some consideration to the point raised by the hon. member for North Waterloo (Mr. Euler), with a view to doing away with uncertainty. Take the case of a trusteeship; an executor who has got a clearance is amply taken care of by the statute. What about the case where executors have a continuing trust and have not got a clearance, but have made a distribution, and the money is gone; is that taken care of by the statute? I have in mind a case in my own practice, a long continuing trust, a trust company in charge. The trust may last for thirty years. They distribute the money, the people die.

The trouble with legislation of this kind is that all its ramifications are not given consideration when the legislation is adopted. Some situation arises: you attempt to cure that by legislation. You meet the immediate case but may do an injury to someone else. That is what I would like the minister to consider.

Mr. RHODES: Mr. Chairman, in reply to my hon. friend from York-Sunbury (Mr. Hanson), let me say there need be no difficulty in the case put by him. If the trustee is wise he will confer with the income tax authorities and get his clearance, whether the distribution is made in part or whether absolute disbursement of the whole estate takes place at one time. He is absolutely protected

in the latter case the same as in the case first raised by my hon. friend. And I am told that there has been no difficulty in the administration along that line.

Mr. HACKETT: Mr. Chairman, it has been pointed out by the minister that this amendment might afford an opportunity for remission to the taxpayer who might have paid too much. There is no suggestion that the administration of this act has not always been fair and considerate, but there is a very definite period mentioned in the statute which precludes the taxpayer from having his returns reviewed. Section 69 of the act makes the return final as regards the taxpayer. It says:

> If a notice of appeal is not served or a notice of dissatisfaction is not mailed within the time limited therefor, the right of the person assessed to appeal shall cease and the assessment shall be valid and binding notwithstanding any error, defect or omission therein or in any proceedings required by this act.

I am not at the moment taking serious exception to the suggested enactment as set forth in section 8. I am objecting to the portion of section 10 which makes it retroactive to 1917. I am going to ask the minister if he does not think this question of sufficient importance to stand this section over for further consideration and possible redrafting. Just as sure as we are here, if it be enacted there will be a constitutional controversy over it, the department will find itself confronted with an attack on the validity of this legislation, and there will result expense, delay and all the harrassing incidents that flow from the enactment of legislation without all possible safeguards. I am therefore going to ask the minister if he will not let this section stand for a few days to ascertain if it is not possible to restate it in a way that will be more acceptable to everyone.

Mr. RHODES: There is no disposition on my part, nor on the part of the government, to crowd this measure through the committee with undue haste. It is true it has been before the house for some two months or more. I would be quite content to leave the bill in committee. But I may say to my hon. friend that while we must be just to the individual—and we all wish to be just to the individual—we must be just to the crown and the treasury as well. My hon. friend knows full well that if a contest arises in court as between the individual and the crown the law is construed against the crown every time. The crown must prove its case to the very limit. I have known a judge of the Exchequer court to advise counsel on behalf of the crown that he was against him from the start in all cases. I do not object to that, but I say with all respect, and without the slightest intention of giving offence to anyone, that we must not shed any crocodile tears for the class of persons who may be called upon to pay taxation. I object as much as anybody does to injecting the element of retroactivity into legislation, but at the same time, if substantial justice is to be done, I can see no good reason why those who have substantial incomes should escape scot free the payment of their just dues to the treasury, when their fellows who have been honest and decent and above-board, have done so in large measure. There may be some middle ground, I do not know, but certainly as the law now stands we do a very grave injustice to the treasury. I may say to my hon. friend that I do not fear the effect of this section as he does. I may be wrong. There were some individuals who were in mind when this section was drafted and since it has been brought down they have paid their taxes. Otherwise they probably would not have done so. And they have paid them in very substantial sums, running into hundreds of thousands of dollars.

Mr. JACOBS: Perhaps it was due to the Oxford Group movement?

Mr. RHODES: My hon. friend always sheds light upon the subject under discussion. But I may say to him that if the Oxford Group movement were responsible for the instances to which I refer, then we need not fear any amendment to the statute because all would have come in.

Mr. JACOBS: Why not withdraw the measure?

Mr. RHODES: The subjects in question, if they are subjected to the appeal of the Oxford movement, would be all embracing because there would be nobody who could possibly be called upon to come in under any amendment we might make.

Mr. JACOBS: What about people of my race who cannot accept that?

Mr. POWER: I notice, in reading section 55 as it is at present, it states:

> The minister may at any time assess such person for the tax, or such portion thereof as he may be liable to pay, and may prescribe the time within which any appeals may be made under the provisions of this act from the assessment, and may fix the date of payment of the tax.

In the new section as proposed by the legislation before us, no mention whatsoever is made of appeal. Does the minister now have power to assess, re-assess, make additional assessments without the right of appeal?

Mr. RHODES: I am informed that the method of procedure has been entirely changed since the original clause was drafted.

Mr. POWER: Is the right of appeal provided elsewhere in the act?

Mr. RHODES: It will be found in part VIII, section 58 of chapter 97 of the Revised Statutes of Canada. We might pass section 9, if that is agreeable, and let section 10 stand.

The CHAIRMAN (Mr. Geary): We are stlil on section 8. Is that carried?

Mr. RYCKMAN: Before we leave section 8 or allow it to stand, I should like to say a few words. In the first place I am sure no hon. member would object to the taxpayer, irksome as it must be to pay his taxes, paying the exact amount with which he is chargeable under the law. I think we are all agreed upon that. Section 8 works both ways, but the committee has thought of only one. This will be of advantage to the taxpayer himself, because at the instance of the taxpayer, if he has a good case, the minister might make a re-assessment, one that he would be precluded from making under any provision of the act as it exists today. To be sure, it provides for an appeal. It provides that there shall be no claim on the part of the taxpayer, no matter whether he has paid an incorrect amount, let us suppose, if more than a year elapses, but under this section the taxpayer could come to the department and say: It is plain I have paid too much; I want a re-assessment under section 55. In that case I do not see how avoidance could be made of his claim. This is in the interest of the taxpayer himself.

As regards the date 1917, that strikes one as a long time to go back. The reason 1917 is inserted is, as I am sure the hon. member knows, there was provision in the income tax law that profits which were not distributed could be computed prior to the end of 1917 and paid out without tax. After that, these profits were taxable. That is the reason for the insertion of 1917. If someone in juggling with his tax liabalities has done so relying upon the special legislation that appeared in the act with relation to profits to the end of 1917, I say that he as well as anybody else who has not paid the correct amount should be called upon to pay. It has been said that there should be a period of limitation. Frankly, I do not believe one man should be allowed to say: Well, time ran against me and I got out of paying what was honestly my fair payment under the law, while another man comes along and says: They picked me up because they got me within two or three years as suggested. I think an honest debt should be paid and the debt the taxpayer owes is an honest one. Exactly what it is can be found. If it takes some time to find this out, that is unfortunate and I agree with the hon. member for North Waterloo that it is not in the interest of good business, if that were the test; but, as I am sure he knows, auditors of the department over which he presided had to go from 1930 back to 1923 or 1924 and when it was found mistakes had been made, as obviously was the case, the findings of the auditors of course being carefully checked, money was requested to liquidate the debt. All that was said was: You have been concerned about this for a long time; but no real objection could be taken to paying what was the honest liability of the taxpayer. I think section 8 could very well pass. It will result in legitimate help to the taxpayer and I think it will help the tax collecting authorities.

Mr. HANSON (York-Sunbury): In the section as now drafted there is nothing that gives a taxpayer the right to use it. Further, the draftsman, when he drew this and made the explanation, to be found on the opposite page, had in mind only re-assessment on the part of the crown. I am not against the crown getting its just and legitimate revenue; I think any member who would take any other view would be doing a great wrong not only to the country but to his self respect. But I ask respectfully that there should be some limitation of time. Let me put an extreme case. Under the New Brunswick Succession Duties Act there is a provision that every gift inter vivos by a testator to his children or to anybody has to be accounted for back to the year 1892, the first year in which the New Brunswick Succession Duties Act was passed. It is almost impossible to get a client to take the oath under the New Brunswick Succession Duties Act that there has not been anything like that done, because you cannot have knowledge going back forty-one years. That is the effect of the New Brunswick statute. I mention that as an extreme illustration, and the analogy is applicable here. I suggest to the minister that he give some consideration to a shortening of the time. I will not press the point further.

Mr. LAWSON: I regret that I find it necessary to differ from the views expressed by the Minister of National Revenue as to the interpretation of this section. If it ever was intended that the section should confer any benefit on the taxpayer, then I can only say that it is one of the most loosely-drawn pieces of legislation I have ever seen. Read the section and see what it says:

—the minister may at any time assess, reassess or make additional assessments upon any person for tax, interest and penalties.

How on earth can he be assessing, re-assessing or making additional assessments for tax, interest or penalties if the object is to make some refund to the taxpayer in respect of the application of the tax? I am not shedding any crocodile tears, but I think we might as well keep one thing clearly in mind. If the object of this section is to get at any person who has not made a return or who has made a false return, then I will go as far as any member of this house in making that person pay taxation. But that is not the point. If a man were wise, as I believe the Minister of Finance said, he would get a certificate; but let us assume that he is not so very wise but honest. There are any number of executors and trustees who are not lawyers. I can go through my files and find cases in which I have settled income tax matters with the income tax department and have never yet received a certificate, nor do I expect ever to receive it. The point in which we are interested in this section is this. Where a man honestly but inadvertently, and, if you will, unwisely, makes a return which ultimately proves to be incorrect, should the minister have power after the expiration of sixteen years, by a combination of that section with section 10, to go back and make an assessment particularly in such a case as the one pointed out by the hon. member for York-Sunbury, where the individual has been acting as trustee for an estate and has probably had all the funds disbursed out of his hands? My whole training makes me unalterably opposed to retroactive legislation, and in this case it goes a bit further and I think we may work a great injustice. If the object of the legislation is to get at a wrongdoer who has failed to make a return or who has made a false return, why not say so?

Mr. RYCKMAN: I do not wish to prolong the argument, but I would direct attention to the wording of the section, which I think the lay mind can interpret:

—the minister may at any time assess, reassess or make additional assessments upon any person for tax, interest and penalties.

That, I submit, does not mean that he can make a re-assessment only in case the amount is larger than what has been returned. If the department were approached in an honest case the minister would be authorized under this section to make a re-assessment, and when I say a re-assessment I mean a true re-assessment, which might very well be in the interests of the taxpayer.

Mr. HANSON (York-Sunbury): I would call attention to section 56, which covers the point of refund of overpayment. This section we are discussing cannot mean what the minister suggests.

Mr. RHODES: I think the section is a reasonable one. I do not think we should be led astray by interpreting it in connection with section 10. I have already agreed to let section 10 stand. I submit, with all deference, that we are not asking for any further powers than the act has contained; it is only for the purpose of making it clear beyond peradventure and avoiding any question of dispute such as has arisen heretofore in individual cases.

Mr. HACKETT: If section 8 were redrafted, section 10 which we are allowing to stand might not be necessary at all.

Mr. RHODES: This is substantially what has always been contained in the act. Look at section 62:

Upon receipt of the said notice of dissatisfaction and statement of facts, the minister shall reply thereto by registered post admitting or denying the facts alleged and confirming or amending the assessment or any amended, additional or subsequent assessment.

We have always had these provisions. As regards the section which is now before us, it may not be drafted in the best possible manner, and I am open to suggestions on that score; but I can say at all events that its intention is to clarify the law as it has obtained heretofore in this matter. There certainly cannot be any objection to it in principle, and I do not think we should be led astray by interpreting it in connection with the retroactive features contained in section 10, which we are permitting to stand for the moment for further consideration at the request of my hon. friend from Stanstead.

Section agreed to.

On section 9—Redeemable stock taxed on redemption when issued against capitalized surplus.

Mr. HANSON (York-Sunbury): Why is this necessary?

Mr. RHODES: I can give an explanation, in layman's language, I hope. In the statutes of 1930, chapter 24, we did what I must submit was a very extraordinary thing. Section 19 provides:

> On the winding-up, discontinuance or reorganization of the business of any incorporated company, the distribution in any form of the property of the company shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income earned in the taxation period 1930 and subsequent periods.

That meant opening the door to a glorious opportunity on the part of a great many companies to go out of business and distribute accumulated profits, calling them assets, thus escaping taxation, so that the treasury lost many hundreds of thousands of dollars in consequence of that amendment. Some companies, in the guise of distributing assets, did this in effect: A company would cause a new company to be incorporated; it would transfer the assets to individuals who in turn handed them over to the new company in exchange for redeemable certificates, and from time to time these redeemable certificates were cashed by the new company; and inasmuch as they were capital they were not taxable. It was certainly a very grave injustice to a large number of companies who were, and had been for years, distributing their income. The position is that companies which went through that process merely for the purpose of escaping taxation, as and when those individuals cash in the stock certificates, shall be taxed four per cent. That is fair to the individual; the tax on the average is lower than it would be if it had been assessed upon the income throughout the year. I will admit that there is an element of retroactivity, but, on the other hand, I believe it is equitable, sound and just.

Mr. EULER: I support entirely the action of the minister in making this amendment to the legislation passed in 1930. Strangely enough, at that time the possible unfortunate consequences of this legislation escaped the observation of the lawyers in the house, to say nothing of the laymen, and were not realized until some clever lawyers in the pay of corporations and others discovered this loophole and reincorporations were made with a view to escaping the tax. So far as I am personally concerned it was mortifying and humiliating to find that such a loophole had been left, and I am quite in agreement with what the minister is doing to eliminate it. I may add that if a loophole was left in the first instance it was not by any means intentional.

[Mr. R. B. Hanson.]

Mr. MacLEAN: When a company is insolvent and the assets are distributed, can those assets be taxed?

Mr. RHODES: This section would have no bearing whatsoever upon such a case.

Section agreed to.

On section 10—Application of sections.

Mr. LUCAS: Earlier in the session I asked the Minister of Finance if he intended to provide for the taxing of bearer bonds. Rightly or wrongly I understood him then to say that at this session he would bring in an amendment to the Income War Tax Act making such a provision. I cannot find anything to this effect in the bill. Is the minister taking any action to see that the holders of bearer bonds pay their rightful share of income tax?

Mr. RHODES: It is not customary to anticipate what will be contained in the budget, but I feel that in this case an exception is justified, especially in view of the intimation made at an earlier stage of the session. I can assure my hon. friend that legislative provision will be made at this session which will fully protect the treasury in respect of those who have hitherto escaped taxation in the matter of bearer bonds. For many months I have studied the various systems and methods which could be applied, and I think we have devised a scheme which will be simple, effective, and not unduly irksome in the way of unnecessary impedimenta so far as the individual is concerned. This will have the effect of bringing into the treasury every last cent of money which ought to come from those who have bearer bonds.

Mr. COOTE: I am taking advantage of the fact that we are in committee to ask the minister a question regarding a case which came to my notice a few days ago. A gentleman moved to Canada from the United States; for three months of the tax year he was in Canada and for nine months he had resided in the United States. He tells me that he was compelled to pay the Canadian authorities income tax upon his full year's income, while he paid tax to the United States upon the income he had earned during the part of the year he was in that country. It seems to me that an injustice has been done. Will the minister inform me whether or not that is the correct procedure under the present act?

Mr. RHODES: I am not the minister responsible for the administration of this act, but I am advised by the income tax authori-

ties that the tax payable in such cases is determined by the facts as to place of residence at the time a resident is subject to income tax. That being so, there is no method of deviating from the taxation in question. In the example given by my hon. friend, while the individual would be called upon to pay his income tax in Canada by virtue of his being resident in Canada at a time when residents of Canada were liable to income taxation, since he had been assessed in the United States he would be able to ask for and obtain in Canada an allowance for such portion of income tax as he had paid in the United States. The opposite applies, also, as this is a matter of international comity which has I believe worked out very satisfactorily.

Mr. COOTE: When I asked the minister the question I had forgotten that the act was not under his administration; perhaps I should have directed my question at another time to the Minister of National Revenue. I understand from this man that the department would not make him an allowance on account of his having had to pay an income tax to the United States.

Mr. RHODES: I am assured by the commissioner of income tax that the statement which I made to my hon. friend is correct—that where the source of income has been in the United States the taxpayer can claim and receive a deduction in Canada for that portion of his income tax which he paid to the United States.

Mr. GERSHAW: In view of the fact that many provinces impose income taxes, has this government considered the advisability of collecting these taxes for such provinces and turning over the proceeds?

Mr. RHODES: This question was raised at the recent interprovincial conference While I am not in position to say that any definite decision was reached, I think there was a near approach to a possible amicable solution which will meet the cases mentioned by my hon. friend.

Section stands.

On section 4—Shareholders to file statement of personal corporation.

Mr. POULIOT: I do not know whether or not I am in order, but if I am I should like to make a serious suggestion to the government in connection with our judges. The judges' salaries have been reduced, and in view of this fact I think the government should consider the providing of proper accommodation. At the present time the supreme court is sitting in what was previously a shed used by the contractors for the construction of the old parliament buildings as a shelter and storehouse. These quarters are very unsuitable for the judges, and if the government has seen fit to reduce their salaries I think it should follow the example set by the United States, which country is now constructing a new supreme court building in Washington. It would give our supreme court decent quarters, and would at the same time provide work for the unemployed. Our supreme court judges have to sit in a room where the temperature is often eighty degrees and then go back to their offices where the temperature may be down to sixty, with a great risk of catching cold. The building is not a fit place for the Supreme Court of Canada. I suggest that the government provide fitting accommodation for the court and at the same time do something in a practical way for the unemployed.

Mr. RHODES: My hon. friend from Temiscouata, with his usual versatility and ingenuity, has succeeded in hanging a very large garment upon a very small peg; for under the guise of a discussion of the Income Tax Act, he has discussed the income tax on judges' salaries, ergo the building that houses the judges—

Mr. POULIOT: Because their salaries are small, their accommodation at least should be decent.

Mr. RHODES: I must commend my hon friend upon his ingenuity, great versatility and resourcefulness, which are always in evidence. While I cannot see what bearing his remarks have upon this bill, I agree with him that the question not only of proper quarters for the accommodation of the members of the supreme court itself, but also of the preservation against fire hazards of a very valuable library, is one which is worthy of very careful consideration by this parliament, and I hope that the day is not far distant when the objection my hon. friend has raised may possibly be met.

Mr. POULIOT: Thank you very much.

Mr. RHODES: Would my hon. friend from Quebec South mind repeating the objection which he raised to section 4?

Mr. POWER: I have referred to the definition of a "personal corporation" as laid down in section 1 of this bill. The definition reads:

"Personal corporation" means a corporation or joint stock company, irrespective of when or where created, whether in Canada or else-

where, and irrespective of where it carries on its business or where its assets are situate, controlled, directly or indirectly, by one individual who resides in Canada, or by one such individual and his wife or any member of his family, or by any combination of them or by any other person or corporation or any combination of them—

Taking that to be the definition of a personal corporation, I now turn to section 4, subsection 7 of this bill, which reads:

The shareholder of a personal corporation who controls such corporation shall file with his income tax return a statement of the assets, liabilities and income of the personal corporation.

I ask the minister what would happen if the shareholders were a combination of several who controlled. My hon. friend from Stanstead shakes his head.

Mr. HACKETT: It is not a personal corporation under the definition and is not entitled to the immunities that go with it.

Mr. RHODES: My hon. friend from Quebec South will find that the definition clause includes "shareholders" as well as "shareholder," the plural as well as the singular.

Mr. POWER: I have in mind, for instance, one individual and a corporation who control a personal corporation. Would this individual and the corporation also be bound to file an income tax return of the assets and liabilities and income of the personal corporation? I take it from the wording of subsection 7 that they would not, because that subsection states that it is the shareholder who controls who must file the return. That would be only one shareholder. It might be that a combination is in control.

Mr. RHODES: Under the interpretation clause, that would be read in the plural—shareholder or shareholders or any combination of them.

Mr. POWER: I do not wish to persist if the minister is satisfied, but the same argument that he applied to section 8 would apply here. The reason why we make section 8 more severe is that some taxpayer was led into error by certain phraseology in section 8. I submit that taxpayers would certainly be led into error by the phraseology of subsection 7 of section 4, and now, while we are making the act clear, we might as well make it clear in all its sections.

Mr. RHODES: I do not feel that I am competent to enter into a legal discussion as to the proper construction of this section—

Mr. POWER: My hon. friend is now sarcastic.

[Mr. Power.]

Mr. RHODES: No, I am not in any sense attempting to be sarcastic. I am speaking in all seriousness, because it is about twenty-five years since I have had any contact with the law. I am advised by the income tax authorities that they are satisfied, after a conference with the legal advisers of the crown in the Department of Justice, that there is no danger as far as the interpretation of this section is concerned.

Section agreed to.

Progress reported.

## CITY OF OTTAWA

EXTENSION OF AGREEMENT WITH CORPORATION TO JULY 1, 1933

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to authorize the Minister of Public Works, on behalf of His Majesty, to enter into an agreement with the corporation of the city of Ottawa to extend the period of the existing agreement with the corporation for one year from July 1, 1932.

Resolution reported, read the second time and concurred in. Mr. Stewart (Leeds) thereupon moved for leave to introduce Bill No. 15, to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

Motion agreed to and bill read the first time.

On motion of Mr. Bennett the house adjourned at 5.20 p.m.

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# Wednesday, February 1, 1933

The house met at three o'clock.

## MAIN ESTIMATES, 1933-34

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1934 was presented by Hon. E. N. Rhodes (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

## PRIVATE BILLS—FIRST READINGS

Bill No. 16, respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon."—Mr. Mackenzie King.

Bill No. 17, to incorporate Canadian Railway Employees Mutual Benefit Association.—Mr. Casselman.

## PENSION ACT ADMINISTRATION

Hon. MURRAY MacLAREN moved:

That the report of the committee on the administration of the Pension Act be printed, six hundred copies in English and three hundred copies in French.

Motion agreed to.

## WESTERN FREIGHT RATES

### REDUCTION OF DOMESTIC RATES ON GRAIN AND GRAIN PRODUCTS

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, yesterday I promised to make to the house a very brief statement concerning domestic freight rates, and particularly concerning the relation of that matter to the bill standing in the name of the hon. member for New Westminster (Mr. Reid), and the resolution in the name of the hon. member for Qu'Appelle (Mr. Perley). At various times other hon. members from the western provinces have asked questions concerning this matter. May I point out that during the interprovincial conference a meeting was held at which were traffic representatives of the two railway systems, and two representatives from each of the four western provinces, with the exception of British Columbia. On account of Doctor Tolmie's loss there was only one representative from that province. The Minister of Agriculture (Mr. Weir), and myself, attended the meeting, and there was an endeavour to arrive at some satisfactory solution of the difficulties, and to formulate at least a compromise among the different parties concerned.

As a result of the conference a satisfactory arrangement was arrived at. Although I do not intend at this time to give details, I may say that after a lengthy discussion, a proposal was made by myself to cut the domestic rate materially on the lower grades of grain—feed grain. The intent was not to get the rate as low as the export rate, but to cut it materially. That suggestion was satisfactory to the representatives of the four western provinces, as expressed by them at that time, and in a general way was acceptable also to the representatives of the railways, who agreed to take the matter under advisement and to submit to me a letter officially offering to put into force the rates proposed on the lower grades of grain, or that type known as feed grain. This would affect particularly the poultry raisers. From the information we have received the greatest number of complaints concerning the freight rate between the prairie provinces and British Columbia had come from the poultry raisers.

Mr. HANBURY: There is no dispute between the prairie provinces and British Columbia; it is between eastern Canada and British Columbia.

Mr. MANION: I refer to the dispute between the western provinces and the railways. The railway representatives were to receive from the Department of Agriculture a list of the lower grades of grain which could be used for feed purposes, and some time was required to get this information. Unfortunately one of the representatives, the traffic manager of the Canadian Pacific Railway, Mr. Stephen became ill and as a consequence the proposal has not been placed in my hands, but it is my expectation that within a day or two I shall receive it. At that time I shall send it to the representatives of the provinces. They are to deal with it, and if it is acceptable to them they will advise me and the new rate will be put into effect.

In view of the proposed compromise arrangement I suggest to the hon. members for New Westminster and Qu'Appelle, and to any other hon. members interested that they might well leave the matter in abeyance until we have had the opportunity to get replies from the western provinces.

Mr. REID: Could the minister give any information of what reduction might be expected?

Mr. MANION: I did not intend to give exact information, although I can think of no objection to stating that it will be in the neighbourhood of a fifty per cent reduction of the difference between the domestic and export freight rates. That arrangement was acceptable to the representatives of the four western provinces. They considered it a very fair proposition, and they appeared to be particularly pleased with the proposed compromise arrangement.

Mr. HANSON (Skeena): Will that affect other commodities?

Mr. MANION: We dealt only with lower grades of grain for feed purposes, and particularly considered the interests of the poultry raisers.

Mr. REID: Mr. Speaker, may I be pardoned for asking a question at this point? I ask the Minister of Railways and Canals or the Prime Minister what attitude the government will take regarding the appeal before the Privy Council?

Mr. SPEAKER: Order.

Mr. REID: I was asking the indulgence of the house.

Mr. SPEAKER: This is not the proper time to introduce a discussion such as the one proposed by the hon. member.

## RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 18, to amend the Railway Act (rates on grain).

Some hon. MEMBERS: Explain.

Mr. REID: The purpose of this bill is to give to British Columbia the same rates on grain as were given by parliament to the eastern provinces.

Motion agreed to and bill read the first time.

## QUESTIONS

(Questions answered orally are indicated by an asterisk).

### PENSIONS RECEIVED BY CHARWOMEN

Mr. SPENCER:

1. Are any charwomen employed in the House of Commons receiving pension, as widows, from the United States Army and Navy Department, Washington, District of Columbia?
2. If so, how many, and how long have these charwomen been employed?

Mr. SPEAKER: Dropped.

Mr. SPENCER: I should like to say, Mr. Speaker, that I do not understand why the question has been dropped.

Mr. SPEAKER: I understood information had been supplied to the hon. member by the Clerk of the House.

Mr. SPENCER: I received a letter, but it is not satisfactory to me.

An hon. MEMBER: Stands.

### PAYMENTS TO SHIPS CARRYING LUMBER

Mr. DUFF:

1. What amount has been paid by the Dominion of Canada to ships carrying lumber from British Columbia ports?
2. Was the said amount paid on the basis of one dollar per thousand superficial feet?
3. To what ports of destination was said bounty or bonus paid?
4. Has any amount been paid for the carriage of lumber from Atlantic ports, on a basis of so much per thousand superficial feet?

Mr. STEVENS:

1. August, 1929, to December, 1932, inclusive, $268,950.
2. No.
3. To Sydney, Melbourne and other Australian ports or to Shanghai, Hangkow and other north China ports.
4. No.

### COPPER, NICKEL AND SILVER COIN HOLDINGS

Mr. REID:

1. What are the various amounts of copper, nickel, and silver coin held by the Department of Finance in the right of the Dominion of Canada or as collateral for bank issues?
2. What were the total amounts of copper, nickel and silver coins issued by the Mint during 1932?
3. Were any gold coins minted during 1932?
4. If so, to what value were these minted?

Mr. RHODES:

1. Issuable silver, nickel and bronze coin held by the Department of Finance:

| | |
|---|---|
| Silver | $258,960 |
| Nickel | 53,290 |
| Bronze | 17,700 |

2. Silver, nickel and bronze coin struck by the Mint during 1932:

| | |
|---|---|
| Silver | $287,000 |
| Nickel | 165,000 |
| Bronze | 213,200 |

3. No.
4. Answered by number 3.

### ALFRED, ONT., MAIL DELIVERY

Mr. BERTRAND:

1. Did the contract for mail delivery on rural route No. 2, Alfred, Prescott county, expire on December 31, 1932?
2. If so, to whom was the renewal of the contract granted?
3. Were any tenders called for?
4. Who were the tenderers and what was the amount of each tender submitted?
5. Is the successful tenderer now performing the work?
6. What sum will be paid to him annually for his services?

Mr. SAUVE:

1. Yes.
2. Department did not grant a renewal.
3. Yes.
4.

| | Per annum |
|---|---|
| H. Charette, Alfred | $475 |
| Joseph Seguin, Alfred | 480 |
| Ovide Lepage, Alfred | 490 |
| H. Charette, Alfred | 595 |
| Geo. Bourgon, Alfred | 600 |
| Alfred Lariviere, Alfred | 645 |
| Dolphe Larocque, Alfred | 675 |
| Joseph Bourcier, Alfred | 750 |
| Arthur Poirier, Alfred | 750 |

5. Yes.
6. $475 per annum.

## QUESTION PASSED AS ORDER FOR RETURN

UNEMPLOYMENT RELIEF IN CITIES

Mr. BOURGEOIS:

1. How many persons have received direct relief during the twelve months preceding the first of October, 1932, in each of the following cities: Montreal, Quebec, Three Rivers, Sherbrooke, Hull, Ottawa, Windsor, Stratford, Peterboro, London, Kitchener, Brantford, Halifax, Moncton, Saint John, N.B., Winnipeg, Brandon, Victoria, Vancouver, Edmonton, Calgary, Regina, Saskatoon?

2. What sums were distributed by way of direct relief in each of these cities during the aforesaid period and what sums for food, rent, fuel, clothing, medical treatment, etc.?

3. Was the portion contributed by the federal government the same in the case of each of the above-named cities, and if not, what is the difference?

## MOTIONS FOR PAPERS

PETER VERIGIN

Mr. WOODSWORTH:

For a copy of all correspondence, including letters, telegrams and other documents, exchanged between the Minister of Immigration, or any of his officials, and Mr. J. M. Hackney of St. Paul, Minnesota, and other persons, regarding the release of Peter Verigin, or the proposal to remove the community Doukhobours to Mexico.

POTATO EMBARGO

Mr. MacLEAN:

For a copy of all correspondence, letters, telegrams and other documents that have passed between the Canadian government and the government of Great Britain, regarding the lifting of the potato embargo, including report of British officials who visited Canada in the fall of 1932 in connection with potato embargo questions, and the possibility of the potato beetle being transmitted in potato shipments.

## COOPERATIVE COMMONWEALTH

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

Whereas under our present economic arrangement large numbers of our people are unemployed and without the means of earning a livelihood for themselves and their dependents;

And whereas the prevalence of the present depression throughout the world indicates fundamental defects in the existing economic system;

Therefore be it resolved,—That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

He said: All down through the years there have been those who dreamed of a new and better social order. I do not know that it was ever better expressed than by our own English poet Blake, who would give us no respite until "we have built Jerusalem in England's green and pleasant land." Prophets have foretold the coming of a better day. Great economists have pointed out that our present economic system could not last very long, but must give place to a different one. In more recent days we have the technicians pointing out not only the feasibility of fundamental changes in our social order, but the absolute necessity of such changes if our civilization is to persist.

It is only the newer groups, however, that have had the courage to set this before the country in the form of a definite program. When the Independent Labour party was first represented in this house in 1921, we placed in the very beginning of our platform the following:

> The Independent Labour party of Manitoba is formed for the purpose of giving political expression to the aspirations of all workers regardless of industrial affiliation, who believe in the establishment of a cooperative commonwealth, with production for use and not for profit as its economic basis.

As far as opportunity offered I have tried through the years to keep that object definitely in view. Last year the United Farmers of Alberta, in order that there should be no doubt about their ultimate objective, stated their position in very clear terms, adopting the following short definition of a cooperative commonwealth:

> A community freed from the domination of irresponsible financial and economic power, in which all social means of production and distribution, including land, are socially owned and controlled either by voluntarily organized groups of producers and consumers, or—in the case of the major public services and utilities and such productive and distributive enterprises as can be conducted most efficiently when owned in common—by public corporations responsible to the people's elected representatives.

When I introduced this motion a year ago there was no large body of organized opinion behind it. Today that situation is altered, for last August there was organized the Cooperative Commonwealth Federation—

> —a federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the basic principle regulating production, distribution and exchange will be the supply of human needs instead of the making of profits.

The statement given to the public at that time, and embodied in resolutions by the Cooperative Commonwealth Federation, goes on:

> The object of the federation shall be to promote cooperation between the member organizations and to correlate their political activities.

We endorse the general viewpoint and program involved in socialization of our economic life as these have already been outlined and accepted by the Labour, Farmer and Socialist groups affiliating.

I may say that a considerable number of organizations have already affiliated with the Cooperative Commonwealth Federation—

Mr. BENNETT: Might I ask the hon. gentleman a question before he leaves that phase of his argument? What would he do with the constitution of the country as it now stands?

Mr. WOODSWORTH: The constitution of the country I presume would remain as it is to-day.

Mr. BENNETT: It could not.

Mr. WOODSWORTH: It is the Prime Minister's option to explain the matter in his own way. I would say that if changes are necessary in order to meet the needs of the people, then those changes must inevitably come.

Mr. BENNETT: The hon. gentleman misunderstood me. It would mean the entire wiping out of the present federal system, if effect were given to what has just been said.

Mr. WOODSWORTH: No, Mr. Speaker, that is not correct. I would point out further that this new organization is a federation rather than a party. The farm bodies in the three western provinces and in Ontario have already voted to affiliate. Further than that, the political labour bodies in the provinces from British Columbia to Montreal have also voted to affiliate. And in addition a very large number of people who have been outside the ranks of farmer or labour political parties are now joining Cooperative Commonwealth Federation clubs, and will in this way come into the federation.

May I say that the name is descriptive of the basis and purpose of the new organization. It does not advocate a bureaucratic state socialism. We recognize very clearly that there are certain matters which must be dealt with by the state; there are other matters that may be left to voluntary cooperative effort. We clearly emphasized that in one of the planks of our platform, if I may use that term—the encouragement of all cooperative enterprises which are steps to the attainment of the cooperative commonwealth.

The Prime Minister, who has already voiced his objection thus early in my speech, gave a rather curious reception to the new organization. In his speech in Toronto last November, as reported in the Mail and Empire of November 10, 1932, he said:

The "swing to the left" behind Mr. Woodsworth is towards a government soviet in its character. . . . It is no longer a party but a jumble, being led by a cooperative commonwealth. Why? Because they seek to capitalize all the unrest that exists.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: The Prime Minister or the Conservative party ought never to talk about capitalizing unrest.

Mr LAPOINTE: In this he is right!

Mr. WOODSWORTH: The Prime Minister goes on:

What do they offer you for dumping you in the mud? Socialism, communism, dictatorship. . . . They are sowing their seeds everywhere. . . . And we know that throughout Canada this propaganda is being put forward by organizations from foreign lands that seek to destroy our institutions. And we ask every man and woman to put the iron heel of ruthlessness against a thing of that kind.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: There are some hon. gentlemen behind the Prime Minister who applaud.

An hon. MEMBER: A lot of them.

Mr. WOODSWORTH: I want to say to the Prime Minister that his statement is not only libellous, but it is clearly seditious.

Mr. LAPOINTE: Does that come under section 98 of the criminal code?

Mr. WOODSWORTH: No, it comes under sections which are much more fundamental to the welfare of this country than section 98. It is setting one class against another. It is advocating the use of force, and as such I say that it is clearly seditious, and further it is absolutely untrue. I wonder what would be suggested if I should advocate putting the iron heel of ruthlessness on all capitalists?

Mr. GARLAND (Bow River): On the neck of the Prime Minister.

Mr. WOODSWORTH: Or, as has just been suggested to me, on the neck of the Prime Minister? I am quite sure that certain sections of the criminal code would be immediately invoked. In all seriousness I think it is beneath the dignity of the Prime Minister to make a speech of that kind. The Prime Minister is very fond of quoting scripture. May I venture to recall to his memory a certain passage in which the one whom he calls the Man of Nazareth says "with what measure you mete, it shall be measured to you again."

I may say that the Cooperative Commonwealth Federation has no connection whatever with Moscow—none whatever.

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: If some of the gentlemen who say "oh" would have the courage to get up and make the statement that their interjection implies, they would have to retract. It is all very well for men hiding behind high positions to make baseless allegations against other citizens of this country, but the least they can do, is to prove their allegations, and the Prime Minister has the whole secret service at his disposal to try to prove his. The Cooperative Commonwealth Federation is an indepedent organization, and it is preposterous—

Some Hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: —that the labour men of this country from coast to coast, and further, the organized farmers in the four great provinces, should back an organization of that kind only to have it suggested that it emanates from Moscow. The Conservatives say that. On the other hand, the Liberals say that it is a Tory trick. You can take your choice.

Let me say that we must distinguish clearly between the Cooperative Commonwealth Federation and communism. It is quite true that both believe in a changed social order, in a new economic system. The communists are convinced that this can be brought about only by violence. They think it cannot be done in any other way. We believe that it may come in Canada by peaceful methods and in an orderly fashion, and that is the purpose of this organization.

Mr. MORAND: The end being the same.

Mr. WOODSWORTH: It may very well be that force may prove inevitable, yes, if the attitude of certain gentlemen is persisted in and the people of this country are denied the right that they have to self-expression and to the enjoyment of a decent livelihood.

Mr. GARLAND (Bow River): Even the right to work is denied them.

Mr. WOODSWORTH: I note that the Vancouver Daily Province in its issue of December 5, said this:

> The answer is that you cannot effect such a revolution at once, if at all, without force and violence. You cannot destroy coupon clipping without tearing down the intricate and all-involving structure of capitalism, and you cannot do that without misery and universal suffering and injustice and tyranny.

Well, if many take the position that we cannot do this thing constitutionally, and behind it is the threat that it will not be permitted to be done constitutionally, then none of us can answer as to what may actually take place. We in our group are out to try to bring about the end in view by peaceful and orderly methods.

The Prime Minister goes on to say:

> Remember the words of the Man of Nazareth, "the poor we have always with us." Nineteen centuries have passed, but it still is so.

It seems to me, Mr. Speaker, positively sickening that a wealthy man should stand up and lecture poor people in that fashion. Only a week ago, when I was addressing a large meeting of unemployed married men in Calgary, the Prime Minister's own city, I thought how insufferable it was that the Prime Minister should talk to these men in that fashion and offer them that kind of moralizing, when he himself enjoys his own wealth because of certain social arrangements, and when his policies, in the judgment of a great many people of this country, have done much to bring about the impoverishment of these poor people.

An hon. MEMBER: What have you done for this country?

Mr. WOODSWORTH: I would appeal to you, Mr. Speaker, for order. I am, I think, within my rights. Certain gentlemen are constantly interrupting and I would appeal to you that they either leave the chamber or be silenced. As a matter of fact, I do not think the Prime Minister is interpreting scripture in accord with the interpretation of a great many of the most eminent theologians. May I venture to quote a paragraph from a very interesting pamphlet, Catholic Principles and the Present Crisis, issued by the Reverend John A. Ryan, D.D., in which he says:

> We cannot permit millions to starve in this land of plenty nor can we afford to unleash the forces of savagery and revolution. In the extreme predicament that is closer to us than we like to contemplate, there is another Catholic principle which is pertinent and adequate. It was stated by Pope Leo XIII in an Encyclical On the Condition of Labour: "Whenever the general interest or any particular class suffers or is threatened with injury which in no other way can be met or prevented, it is the duty of the public authority to intervene."

Father Ryan goes on to say:

> If for any reason the public works remedy fails, the public authorities will be under moral obligation to take temporary charge of and operate our essential industries, not only for the benefit of our most distressed classes but in the interest of the whole community.

Showing the bankruptcy of capitalism in this crisis, may I quote a paragraph from

Hjalmar Schact, until lately president of the German Reichsbank, who in a recent book said:

> Never was the incapacity of the economic leaders of the capitalist world so glaringly demonstrated as today. A capitalism which cannot feed the workers of the world has no right to exist. The guilt of the capitalist system lies in its alliance with the violent policies of imperialism and militarism. The ruling classes of the world today have as completely failed in political leadership as in economic.

We believe that the first step to be taken in bettering the present conditions is to adopt a planned economy. During the war, when the life of the nation was considered to be at stake, there was very careful planning not only within our own country but as between the allied nations, and rationing was carried out to a very considerable extent. Within the nation as a whole, however, we normally have permitted anarchy to reign; we have had overdevelopment in some lines and underdevelopment in others. Take our pulp and paper as an outstanding example of the absence of any definite plan—overcapitalization and overdevelopment of every kind going on until even Saturday Night describes the power project as a racket.

I do not need to dwell on this; it is known to everyone. Moreover, we have had manipulation of credit which has played serious mischief with our whole economic system and has transferred hundreds of millions of dollars from one set of pockets to another. Further than that, we have had no relationship existing between distribution or consumption and production. It is obvious that our machine must slow down unless the people can buy what is produced. Had I time I could easily give a great many quotations from recognized authorities on this point.

One of the most recent pronouncements was contained in a resolution passed by the international labour organization. Mr. P. W. Martin, summarizing the conference resolution, says:

> By means of the special financing of public works, it aims at increasing the volume of buying—the fundamental condition of any improvement in the economic situation. By insisting upon monetary stability it provides for the essential measure which must accompany any such increase in the volume of buying, viz., adequate safeguards against undesirable price inflation. By laying down that the achievement of monetary stability must be international in scope it makes the necessary basic provision for the achievement of exchange stability. Finally by drawing attention to the need for non-monetary measures, the adoption of which would be facilitated by the monetary measures already considered, it opens the way to international action for adjusting production to consumption and removing the barriers to international trade. . . . For the irrational forces which at present control business activity it proposes to substitute a process better adapted to modern conditions; conscious adjustment of the volume of buying, so as to provide an adequate outlet for the whole product of industry, no matter how large that product may be. And in making this proposal it goes to the root of the present crisis.

In this connection I may give one other quotation taken from the October letter of the Royal Bank of Canada. Speaking of changes, he says:

> Among the most notable has been the attention given in the last few years to national planning—an idea developed in a rapid and spectacular form by the Russians, but of necessity forcing itself upon all of us. . . . We have scarcely grasped the fact that individualism in the old sense is no longer possible and that laissez-faire and the invisible hand are out-dated, when we are compelled to acknowledge that cooperation on a base even so broad as the national one is inadequate. In fact, its consequences are far more serious. Disasters may follow from an unregulated and individualistic economic behaviour, but they are mild compared with the tragedies if large national groups clash, each thoroughly organized in opposition to the rest. The national approach will not do.

I do not think we could proceed very far along the line of central planning—that is, under an administration really in earnest about producing results—without having to deal with the control of the banks. Theoretically, of course, parliament controls the banks, but in practice, in my judgment, the banks control the administration. Back as early as 1925 I introduced a resolution to this effect:

> It is not in the interests of the country at large that the privilege of issuing currency and controlling financial credit should be granted to private corporations.

I am more than ever convinced that the issuing of currency and the control of financial credit should be in the hands of a body directly responsible to the representatives of the people. It may be that we can set up a commission, although the commission form of government is today on trial; but it ought not to be left to those who might rightly be termed irresponsible and interested parties. Whether or not it is necessary to nationalize our whole banking system is perhaps a matter for debate, but all that we insist upon is that there should be effective control, and that may probably be exercised through a central bank working in the interests of the people rather than in the interests of the banks.

I do not think we could proceed very far without increasing the public control of industry. I believe the Prime Minister himself stated the underlying principle that should

obtain in dealing with our natural resources, in his speech introducing the radio bill last year. This is what he said:

I believe that there is no government in Canada that does not regret today that it has parted with some of these natural resources for considerations wholly inadequate and on terms that do not reflect the principle under which the crown holds the natural resources in trust for all the people. . . .

If the Prime Minister would extend that principle to all our natural resources he would be advocating what we in this corner have been advocating through the years. The crown holds the natural resources in trust for all the people.

Mr. BENNETT: May I remind the hon. gentleman that it is the crown in right of the provinces.

Mr. WOODSWORTH: Not in relation to the radio.

Mr. BENNETT: That is national

Mr. WOODSWORTH: I do not want to go into the constitutional question in detail today.

Mr. GEARY: You are founding your argument on it.

Mr. WOODSWORTH: No. I am not founding my argument on the constitution as it is today but on something a great deal bigger.

Mr. GEARY: Why don't you establish your basis and proceed.

Mr. WOODSWORTH: I am dealing with principles. There may be the complicated legal question of the crown in right of the provinces as against that of the crown in right of the dominion. I do not want to be drawn into that discussion today; I am dealing with the general principle and we believe that what is true of the Dominion government ought to be true of the provinces as well. We are laying down a great general principle which will have to be worked out. If war broke out these constitutional questions would not stand in the way for a minute; the Dominion government would invoke certain residual powers it holds and would manage to make the constitution work. That is the point. An hon. member behind me suggests that the crown is the people. Of course it is. There is a great deal bigger question at issue than that of the respective rights of the provinces and of the dominion. Let me quote still further from the radio speech of the Prime Minister:

I cannot think that any government would be warranted in leaving the air to private exploitation and not reserving it for development for the use of the people.

It was only a few days after that utterance that the question of radium came up. I think radium deposits are considered to be under the control of the dominion, but when this matter was being considered the government made no effort to apply its own principle. If the principle enunciated by the Prime Minister applies to one particular natural resource it ought to have been applied to radium as well. I think this gives a practical answer to the hon. member for South Toronto (Mr. Geary)—the government took no action even where it had the authority.

Whether or not we like it, to-day the state is intervening more and more in business affairs. I submit that the Duff report and the suggested plans founded thereon go further than most legislation when they attempt to consolidate the railroads in some way or to arrange for their centralized control. We are being forced to advance along socialistic lines. I know there are those who say we should have less government in business, but—

Mr. YOUNG: Hear, hear.

Mr. WOODSWORTH: The hon. member for Weyburn (Mr. Young) says, "hear, hear." He has been long enough in Ottawa to know that there is a steady stream of people coming here to secure special favours and that no corporation could exist had it not come to the government for its charter and for special favours.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Industry undoubtedly is in a serious plight to-day. It seems to me that instead of our being forced to take over industry, a great many industries will be coming to us as did the old Canadian Northern, and asking to be taken over. Industry is in a bad way. I do not believe that the industrialist can pay his dividends to-day and at the same time pay decent wages, but when that alternative must be decided I say unhesitatingly that the employees ought to be secured a decent living and their claims should have priority over dividends. If industry as constituted under present conditions cannot grant a decent living to its employees, so much the worse for industry, and in such cases it should be taken over.

Similarly the governments of this country are in a bad way because they are not able to balance their budgets; I do not believe they can, on the one hand, give adequate services to the people and, at the same time,

pay the interest upon their bonded indebtedness. We shall have to say whether the interest upon bonded indebtedness shall have precedence over the services needed by the people.

Mr. HANSON (York-Sunbury): Would the hon. gentleman allow me to ask a question?

Mr. WOODSWORTH: I have only two or three minutes left.

Mr. HANSON (York-Sunbury): We will give you a little more time. Does the hon. gentleman know of any industry where interest has taken precedence over wages?

Mr. WOODSWORTH: I have only a few moments left; we are narrowly limited as to time.

Mr. HANSON (York-Sunbury): Answer the question.

Mr. GARLAND (Bow River): The Speaker intervenes upon other occasions.

Mr. WOODSWORTH: I recognize that a great many object to the program which we have in view in that it may undercut what is called the principle of private property. That may be quite true, but I suggest that that principle of private property has been unwarrantedly extended. We create an artificial body which we call a corporation, and then, without imposing upon it any responsibilities, we give it all the privileges of a private person; without its having any soul, we endow it with immortality. I do not think we can allow an assumption of that kind to continue. It may very well be that my home is private property, that other things which I use and enjoy are private property, but the original idea of private property should never have been extended to the machinery by which modern production is carried on. It does not belong there at all and ought never to have been extended to such a degree—that will have to be altered. Who can contend for a moment that the Bank of Montreal or the Canadian Pacific Railway are private property in any real sense? They have been given certain charters and certain privileges which they enjoy just so long as they are considered to minister to the welfare of the country. Many believe that our banks are inviolable, but I would remind the country at large that our banks exist because of charters which really terminate this year. Those charters need not be reissued if parliament so desires; they are given at the will of parliament for a ten year period only, and the sooner the banks recognize that they are dependent upon the people, the better for all concerned.



The Prime Minister in his Toronto speech said: "Are you prepared to give up those things which have been earned by honest toil?" Does anyone mean to say that the great fortunes in Canada have been built up by what could be termed "honest toil"? Has the Prime Minister's own fortune been gained by honest toil?

Some hon. MEMBERS: Shame.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: I ask the hon. member to withdraw the imputation he has just made.

Mr. WOODSWORTH: Mr. Speaker, I simply asked a question.

Mr. SPEAKER: I ask the hon. member to withdraw the imputation he made; he must know that it is out of order.

Mr. WOODSWORTH: Mr. Speaker, I submit—

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: Mr. Speaker, on a point of order; I submit that I made no statement which is contrary to the rules of this house.

Mr. SPEAKER: I have given my ruling, and I ask the hon. member to withdraw his imputation.

Mr. WOODSWORTH: Mr. Speaker, on a point of order; may I again state that the Prime Minister made the statement—

Mr. SPEAKER: I recall what the hon. member said, and what he said is out of order. I have so ruled, and I ask him to withdraw.

Mr. WOODSWORTH: Then I appeal from Your Honour's ruling.

Mr. SPEAKER: The hon. member has used unparliamentary language and I ask him to withdraw it. The hon. member has made the imputation that the Prime Minister has been guilty of dishonesty.

Mr. WOODSWORTH: No, Mr. Speaker, I gladly—

Mr. SPEAKER: I would regret to have to name the hon. member, but I propose to do so unless he conforms to the rules of this house. I ask the hon. member to withdraw his objectionable words.

Mr. WOODSWORTH: I withdraw any imputation that the Prime Minister has made his money dishonestly.

An hon. MEMBER: Yammer ahead.

Mr. WOODSWORTH: What I was trying to point out was that a great many fortunes in Canada have not been built up by what we used to consider in the old days as steady savings, collected by hard, assiduous toil. I was trying to say that a great many fortunes in this country—in this case I am not referring at all to the Prime Minister—have been built up by manipulation, by stock watering, by various kinds of speculation.

Some hon. MEMBERS: Oil.

Mr. WOODSWORTH: Yes, oil and so forth.

Mr. SPEAKER: I would ask for silence in the house because it is impossible for the hon. member to speak with so much noise.

Mr. WOODSWORTH: I believe it is within the knowledge of all hon. members that large fortunes have been made in this country by other methods than that of the old-fashioned toil, and under such circumstances there is no reason why the right to the possession of such fortunes may not be challenged and why, when there are hundreds of thousands of people on the verge of starvation, there may not be levied on those who presently own them, the large amounts that are necessary to put into effect certain kinds of public works or to make other provision that will adequately meet the needs of the people in this crisis. As certain people have pointed out very clearly, it is quite constitutional to do that in the case of an international war; it is equally constitutional to do it in the case of a war against poverty. Unfortunately we have been emphasizing too much the financial aspect; we have not paid sufficient attention to the welfare of our citizens. May I be permitted to quote those old lines of Goldsmith which I think ought to be inscribed in every legislative chamber in Canada:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates, and men decay.

Unfortunately we have had a great acceleration in the speed with which wealth has been built up in this country and today we are experiencing the reaction in that people are literally decaying in their physical health and in their morals because of conditions that exist. I think of the thousands of people whom I meet, who are almost in despair, who should be lifted out of their despair. It is the first duty of any administration adequately to feed, clothe and shelter its people. That is not being done by the present government. I quite admit that if anyone proceeds to carry out that policy, it may very well mean heavy taxation on certain corporations and individuals who hitherto have escaped lightly; it may very well mean a challenge to the prevailing ideals of private property, but it is becoming essential at the present time. With me, and I think with an increasing number of people across the country, the question is not whether we ought to have changes; the real issue is whether changes will be brought about in an orderly and peaceable fashion or whether matters will be allowed to drift until there is a crisis, possibly a catastrophe, when, as best we can, we may try to pull ourselves together.

The terms of the resolution are, I think, clear to all. I would say again that the new program is being backed by responsible groups of organized farmers, labour men and other citizens. I trust the discussion will not simply degenerate into a calling of names, but that on the other hand we shall attempt to discuss seriously the principles which are at stake.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, in rising to second the motion of the hon. member for Winnipeg North Centre (Mr. Woodsworth), I wish first to say that since the house adjourned before Christmas we have had a particularly interesting time. Those of us who call ourselves members of the Cooperative Commonwealth Federation have had the opportunity in the last two months of seeing large numbers of our Canadian people. May I say that for the most part the money which paid for our travelling and other expenses came out of our own pockets or, if it did not, collections to meet expenditures were taken up at the meetings. I cannot understand the attitude of many individuals and newspapers, particularly some of the small ones, which have been printing really scurrilous reports. While I may make bitter attacks on policies, I hope I may not live to mete out to my fellow members in the house some of the, shall I say, receptions that have been meted out to me.

In the last three or four years as things got worse and worse, and the suffering and poverty of the people increased very rapidly, many citizens and members of the house who do not belong to either of the major parties, really expected—I for one, at any rate, did—that there would be changes of policy on the part either of the government or of the Liberal party. I thought there would be on the part of responsible members, citizens who must stand in high regard in their individual communities—one would judge that by the fact they have been elected to this house—a realization that these days we are passing through are not ordinary days and that a change of policy had become

necessary. As time went along we saw there was no such realization, and possibly I had better pay tribute where tribute is due and thank the Prime Minister (Mr. Bennett) and his party for the very able assistance they have unwittingly given to the Cooperative Commonwealth Federation. It would not otherwise have been possible to have addressed such vast audiences nor would such support have come our way had it not been for the policies of the Prime Minister and his pronouncements from time to time, and I here and now thank him.

There was, on the part of many people, fine people too, an expectation that the Liberals would turn to the left. But instead we found them talking about personal liberty, religious liberty and constitutional liberty, as though these could be all that they ought to be if they were not accompanied by economic liberty. So it seems curious that it has fallen to those groups which are much less well equipped by way of organization across the country, possibly by way of training and certainly by way of financial support, to give a lead to the country at this time. The name of the organization that is saying the only things that are different from those which have been said for a hundred years is the Cooperative Commonwealth Federation. It is true that organized farmers, organized labour and the socialist party of British Columbia were the founders of the C.C.F., but it is also true that the cold waters of this prolonged depression are to-day loosening the hold on security of business and professional men and industrialists. There is no doubt at all that business and professional men, and smaller industrialists who thought they would never reach a time when they would experience insecurity are to-day insecure, and indeed some of them are in the ranks of the unemployed. This orderly mobilizing of the people's forces does not consist of farmers and labourers only, but is augmented by these new, insecure groups, namely, the business, professional and smaller industrial peoples. Therefore it cannot but be true that in the months that lie ahead of us the forces of the people will gather strength. It has not been our doing. Had either of the old parties offered solutions, or even attempted to offer solutions, or had the government extended some sympathy to those suffering so greatly, they would have held much of the ground which they so easily won in 1930, and the Liberal party would have gained ground more rapidly than it is now doing. The Liberals, of course, do offer sympathy, if nothing else.

[Miss Macphail.]

I am very glad to say that the Canadian people cannot be reconciled to continued want and privation, suffering, disease and early death in a land of abundance. They cannot and will not be reconciled to it. If they could they would not be the red-blooded Canadians about whom the Minister of Railways and Canals talks so much. The attempt of the Cooperative Commonwealth Federation is to build a social order or society which will serve mankind, instead of allowing a social organization to continue which makes mankind serve the system. Although municipal governments and provincial legislatures may desire great and fundamental constitutional changes, they cannot make them, and that the great constitutional changes which must come will come because of changes made in the House of Commons of Canada.

May I say—and I do not think I need say this to the country, if I must to the House of Commons—that I am an anti-revolutionist. I never have believed in force. Today I have no more belief in it than I had in years gone by. It will not be the activities of the Cooperative Commonwealth Federation which will bring revolution in Canada. There are only two classes which make revolution possible, namely, the class at the top which stubbornly and stupidly will not be moved by changed conditions, and the class at the bottom which wants to bring about a change in the social order by revolution. Those at the top, well aided by the government of this country, unconsciously are doing everything they can to bring about that which they most fear. It is simply ridiculous to brand as revolutionists members such as the hon. member for Winnipeg North Centre (Mr. Woodsworth) and myself. If any hon. member will turn to the debates of this house for the eleven years we have been here he will find that we were anti-militarists at a time when we were called Germans and Russians and all sorts of things, because of it and there are no two people in the House of Commons who have stood out more consistently against force as a means of settling disputes than have the two members speaking to this resolution. So that may I say here that those who try to assert that we are bloody revolutionists, that Mr. Woodsworth was born in Russia and has a foreign name, and all that kind of nonsense, are doing us very much good and themselves as much harm. It will not take the people of Canada long to know there is no truth in such a suggestion.

We did not get out of previous depressions by intelligent collective action. We got out of them more or less by accident. Either some great, startling invention came along

which caused capital expenditure on a large scale, or we had a war, or some other unexpected occurrence, or there was an export of capital. But the export of capital is no longer possible. These three factors, the export of capital, the war of 1914 which brought an end to the depression previously existing, and startling inventions such as the motor car brought us out of depressions previous to the present one are not likely to be repeated. It seems to me that this depression has been so prolonged that there is less and less chance of some accidental happening bringing us out of it. It looks as though we were going to have to think our way out, then act our way out, and as individuals we cannot do it. We can do it only by collective action. The things which have brought us out in the past are less likely to bring us out now. I refer particularly to two factors, namely, the export of capital and those startling inventions causing great capital expenditures. The third one I want most of all not to happen, namely, the declaration of war. Oddly enough, however, if war were declared the government now sitting on the treasury benches, to save the situation would do those very things which, if done in peace times would be equally effective. But apparently we would have to have a war to convince them such action was necessary. Great capital expenditures brought about by new and great inventions are unlikely since industralists, capitalists and financial magnates who would be injured by the displacement of equipment which they now possess would take steps to buy up inventions which might in their opinion enter into too great conflict with their interests. Such inventions would have a nuisance value.

Suppose none of these factors become effective what will we do? If we follow the policy which is now being pursued, one of liquidation without replacement of credits we will bring about wholesale defaulting on bonds and debentures, with therefore less credit in circulation and lower prices. In the year 1932 corporations and municipalities in Canada defaulted on their bonds to the extent of $45,000,000. We must remember that those bonds and mortgages which are the debts of the people are really the basis of financial credit. Those defaults wiped out credit. The banks used the bonds as a basis of credit, and individuals and companies used them as collateral. So an insolvent debtor means default which wipes out credit, making the volume of currency and credit in circulation less, with attending lowered prices and greater insolvency. That is the policy we are now pursuing relentlessly. There is no doubt at all that there is a curtailment of credit throughout the country, and a great many individuals believe that if there are fewer expenditures the money will be saved. Actually that is not so. But reduced expenditure lessens the volume of the means of payment slowing up trade and pulling down our activities all along the line.

In this connection I should like to quote the words of Gustav Cassel, the well known Swedish economist with whose works I am sure hon. members are familiar. In the work before me he deals with the policy of deflation. He considers the condition where there is less and less currency in circulation. He is recommending the opposite treatment, that of raising falling prices by a greater flow of currency into the commercial life of the country. But he says:

> The deflationists, however, look upon this question in their own way—

I do not know any real reason why a person should have to strain his voice to make himself heard. If anyone wants to talk there are comfortable lobbies.

Mr. DEPUTY SPEAKER: Order.

Miss MACPHAIL: May I begin again:

> The deflationists, however, look upon this question in their own way, regarding deflation as in itself a desirable thing. They think that the necessary equilibrium should be brought about by forcing down all prices to the level of the lowest. They disregard—

And this is exactly the policy that this government has been pursuing.

> They disregard the great social evils, labour struggles, and political disturbances—

Of which the Canadian Cooperative Commonwealth, I should say, is one.

> —unavoidably connected with a restrictive policy of such severity as would be required for the purpose. And, what is still more important, they do not understand that such a restrictive policy would inevitably expose the low prices to a new pressure and cause them to fall still more.

So that if Gustav Cassel is right, there is no doubt that unemployment figures will continue to increase, that prices of all basic commodities will go still lower than they are at the moment.

There is one other thing that possibly we have not given enough thought to, that is that the industrial mechanism is very delicate and very intricate and that while it can be slowed down to a certain extent without smashing it, you cannot slow it too much or the whole thing goes to pieces. We all know that you must have a certain turnover in business to carry the overhead, once the turnover becomes too small to carry the

overhead then the concern cannot go on. That is true of any business, and the bigger the business the truer it is. One would think, in that regard, not only of our great industrial plants but also of commercial companies, like Eaton's or Simpson's, or of our railways. Sometimes I think we are getting very close to the minimum of activity, and that once we have passed that minimum we shall run into difficulty much more rapidly than we have done up until now.

That brings us then to the question: How are we going to increase business activity? How are we going to increase industrial activity? How are we going to raise the level of prices of basic commodities? I think there are many ways. But I think one of the things that must be done—and I am not going to develop it because it will be developed by other speakers—is that we must draw upon social credit, or the credit of all the people; we have to stop a small group of individuals, no matter who they happen to be, having the right to issue credit against the assets of the people. I have no objection to them writing notes against their own assets, but I have great objection to them writing notes against the assets of the people, for which the people pay them very high interest. We have paid out far too much in interest, both on foreign and domestic loans, in the years that lie behind us. We have now solved the problem of production but not that of distribution. The distribution of goods and services is in essence the whole problem that faces us at the moment. In order to distribute goods and services, the purchasing power of the masses of the people in this and every other country must be increased. That means, of course, that those who have more purchasing power today than they have needs or capacity must have their purchasing power curtailed, for the economic good of the whole.

When we are passing through a time such as the present, individuals and even large companies are spending less and less. Uneconomic as it is, and as they may realize it to be, it is impossible for them to do anything else, grim necessity forces them to cut down their expenditure, and the cutting down of expenditure by individuals, companies, corporations and governments greatly lessens the volume of currency and credit in circulation, with the result of a still further fall in prices, greater unemployment and greater distress.

So we must increase the amount of credit and currency in circulation. May I quote what two eminent authorities have to say on this subject? G. D. H. Cole is one of the great British authorities, a leader in economics in the university of Oxford and a member of the economic advisory council. He says, at page 345 of The Intelligent Man's Guide Through World Chaos:

> Where the private investor refuses to invest governments will have to step in. Nothing would be more likely to help, given the right international conditions, in promoting world revival than a large-scale and systematic policy of public development directly planned and financed by the governments of the leading countries. With this would have to go a more liberal credit policy and, if possible, an international agreement under which each state would agree to liberate its currency system from the present shackles upon expansion, either on the basis of a reformed gold standard or through a system of related national currencies "managed" without any reference to a metallic standard.

Stuart Chase, who is a well-known American economist, commenting on the same point, says:

> When the cycle starts down, extend public works; when it starts to boom, retrench public works.

Again he says:

> The depression could be broken by feeding a huge stream of new purchasing power into the industrial system. . . . We may have to create new money to finance new wealth. If you want to call it inflation, all right. I am not afraid of the word.

And another very brief one from Chase. Anything I may say on this subject may be discounted, so I believe we had better keep to world authorities. He goes on to say:

> In the last analysis, what is a people's credit for, if not to finance the end of a people's misery and desolation? Certain leading citizens regard government credit as private property, to be doled out to bankers and railroad bondholders. The very mention of letting the people of America benefit by their own credit throws some of these prominent citizens into a paroxysm. "Better," I heard a banker say, "universal bankruptcy than one dollar of inflation." These brave boys on burning bridges may stand a moment too long.

Mr. POULIOT: The hon. member's own speeches read better than what she is reading.

Miss MACPHAIL: The odd thing about it is that when private individuals or companies or corporations borrow against their assets we call that prosperity, but when it is proposed that governments should use national credit to finance national schemes, it is called inflation. I must say that I do not quite appreciate this great worry about inflation, but I am not going into that. There is no doubt about this, that the essence of the depression is falling prices, caused by deficiency of purchasing power. One sees everywhere attempts to break down "sales

resistance," the spending of large sums to induce people to buy, and the very people they are trying to induce to buy would very much like to buy if they only had the purchasing power. One sees it everywhere. I notice at the picture show last night that at the motor show in Toronto they put on a vaudeville performance to induce people to go to the motor show, which I would say is a rather odd way to break down sales resistance. We must now turn our whole attention upon the consumption of goods. We must pass at once from an economy of production to an economy of consumption and we must continue to address ourselves to that problem until the consumption of goods equals the production, and continue even further, until the amount of goods consumed is equal in volume to the amount of goods which all our plant and equipment is capable of producing. When that point is reached we shall for the time being have solved the problem. That being so, we must seek to evolve policies, taxation, financial and trade policies, which will increase the consumption of goods. This I will admit is a new idea because the whole effort of governments in the past, and it has been a very well directed and very successful effort, has been towards the production of goods. But to-day the only thing that people with accumulated capital know what to do with it is to invest it in plant and equipment to produce goods of which there are already too much. So that to use it in that way is nonsensical.

It does seem to me that what we shall have to do in the very near future is to take the burden of federal taxes as much as possible off the backs of the consumers so as to increase their purchasing power of goods, and throw the burden of federal taxes upon accumulated capital, not for the purpose of injuring accumulated capital, but rather to prevent accumulated capital from being what it is now, an economic nuisance. If that were done, and it could be done by income tax, inheritance tax, and the taxation of unspent balances, whether of individuals or corporations, beyond a certain figure, it would bring into the federal treasury great sums of money from a yet almost untapped source, and at the same time it would increase the purchasing power of the masses of the people, enabling the consumption of goods in some degree at least to catch up with production.

I am sure there is no member of this house—at any rate I would not like to think there is one—who is not sensible of the very great suffering of the people of Canada today, and that suffering is increasing day by day and week by week. In this year 1933 we are going to see very many more people go off our farms and many more people give up their homes because they are unable to meet their payments than was the case in 1932. That certainly must be realized by other members of this house if they receive as voluminous a mail of the same sort as comes to my desk. They must know a great deal about the extreme suffering of our fellow-Canadians. But it does seem to me that inasmuch as parliament can, parliament should relieve the people from the corroding worry and despair to which they are subjected at the present time. People are so much afraid of certain things. They are afraid of unemployment, with no means of their own. They are afraid of sickness and accident. The are afraid of old age, because often old age for various reasons starts before the age of seventy, and inasmuch as these fears can be relieved, I think it certainly ought to be.

One word about unemployment. The only real cure for unemployment is employment. I think one by one we have all come to that conclusion. The last time I spoke in this house before the Christmas adjournment I said I wondered if any of us really realized the actual feelings of millions of our people who go on from day to day without work and without hope. I wonder if we realize what that is really doing to the moral fibre of our nation. How long can we continue to do it without actually destroying the very qualities in Canadians of which we have been so proud? I feel that we must set about getting work for those who are out of work. I do not think we can say that there is nothing to do while people live under the most wretched conditions in this country, while they live in the slums of our great cities, while the people in our countryside have not got the comfortable homes and the electricity and the various other conveniences that everyone ought to have today and while some work too hard.

I have here a little pamphlet called the Canadian Student which came to my desk only two days ago. In an article written by an English girl, under the title of "Why Don't Our Young Men Care?" One finds the very thing I have been emphasizing, that these people are our charge, and however much we may try to laugh it off and say it does not matter to us, after all, if we are responsible citizens, and particularly if we are responsible members of parliament, the misery of our fellow-Canadians matters very much indeed. If it does not, we have no business to be here. After expressing her disappoint-

ment in the activities of the student body in Canada she says:

> No, I am forced to the conclusion (refute it if you can) that you here just do not care; you have no enthusiasm, no zest; nothing on which you are really "keen." You do not care that at a ten-minute walk from the university there are houses, inhabited by your fellows, which are so insanitary, rat-infested, smelly and filthy, that they would be a disgrace in an uncivilized community. You say you do not know this? Why not? It is your business.

That is exactly how I feel about it. She goes on:

> How many of you know that in three centres less than a half-hour's walk from Varsity, there meet once a week groups of men, often numbering in the hundreds, who are your fellow-Canadians, who through no fault of their own are not working at the moment, but who would welcome the friendliness of a chat or a smoke or a game with you—if you are really interested in their problems? Are you not interested in them or their problems? Why not?—they are your business.

I know that sentiment is out of place in this house, but I do feel that what we need now is a new sense of patriotism, not the sort of patriotism that means going out to fight and kill somebody, but that sort of patriotism that says to each one of us that the feeding and clothing and sheltering and the developing of the personalities of Canadians is the business of each one of us, the business of all thinking Canadians. I do think some times that members of this house do not always feel a sense of personal responsibility for present unhappy conditions. This is the test! Are we willing to sacrifice ourselves, our time, our money and our efforts, in an endeavour, even though it be in vain, to set up a new social order that puts in the centre human beings and relates everything else, finance, industry, and all else to the service of our fellow-Canadians?

Mr. G. G. COOTE (Macleod): Mr. Speaker, everywhere that I have gone since parliament adjourned a few months ago I have been met with this question by the citizens of this country: Is parliament going to do anything for us this year? Is parliament going to do anything to make conditions better? Will parliament do anything to give us employment? Will it do anything to make it possible for our boys and girls to get work?

I have not been able to give my fellow-citizens a very reassuring answer, and coming back to parliament on Monday last and looking over the speech from the throne which was read to us a few months ago, and glancing over the order paper now before us, which I suppose contains the bulk of the program which is to be submitted to parliament, I cannot help feeling that the resolution which is now before the house offers the most promise to the citizens of Canada for some improvement in conditions, because it asks that the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interest of the people and not for the benefit of the few. That proposal, it seems to me, is so reasonable that it should have the sympathetic consideration at least of all the members of this House of Commons.

[Miss Macphail.]

Wherever we look today throughout the so-called civilized world we find the various countries enduring all sorts of trouble. I fancy that most of the statesmen of the world, when they retire from their offices at night, must exclaim with that celebrated character of Shakespeare:

> The time is out of joint; O cursed spite,
> That ever I was born to set it right!

Coming to Canada, we find conditions in a frightful mess. We find a land where food is more plentiful than it has ever been before; yet many people are going hungry. We find great quantities of clothing in the warehouses and in the retail stores; yet I personally know of many people who are going insufficiently clad, people who have not all the clothing they really ought to have. There is a vast amount of coal in Canada, and any number of miners who are willing and anxious to work; yet there are thousands of homes in the country in which the furnaces are not being lit this winter, the people having to keep warm as best they can around the cook stove because they have not sufficient money with which to buy the necessary fuel. There is a lot of railway equipment idle in the yards while there are numbers of Canadians who are wanting to ride on the trains; but the trains are not running, at any rate not more than half the number of trains we had in operation some time ago.

As a matter of fact, we have goods and services of all kinds in abundance in Canada, but the people are not in a position to obtain anything like a sufficient quantity of these things. There is no scarcity of anything, so far as I can ascertain, except a scarcity of money; and as one of the best living economists said some time ago, of all things that mankind needs in this very complex system under which we now live, the one thing of which mankind can have as much or as little as it likes, is money, because money is so easily made. There are two kinds of money, one made with a bank ledger and a fountain

pen—a kind very easily made and, unfortunately, easily unmade. There is another kind of money made of high grade paper and with a printing press, and that is the better kind.

A good many people have an entirely wrong idea of money. They think it is something to be saved, something to be hoarded, something to be bought and sold, a commodity like wheat or potatoes. Money is nothing of the kind. In the true sense of the word it is a medium of exchange, a system of tickets whereby we exchange goods and services one for another. Speaking in the material sense money is the most important thing in our lives, and it is imperative that we should have a proper amount of it. It is important not to have too much and equally important not to have too little. You might have too much, just as they had in Germany years ago, when there was a great quantity of money in circulation and a very small amount of goods, with the result that money lost its purchasing power. On the other hand, you might have such a condition as exists in Canada today—great quantities of goods and very little money, so that the goods lose their money value. Money, I repeat, is the most important thing in life, because it is the means of livelihood of every man and woman receiving wages or salary; it is the means of livelihood of professional men and and all others, including producers. Why do they want money? Because they must have it if they are to get their livelihood. That is the reason that money is so important to us. The whole standard of living of our people depends upon the amount of money they control, and for the last three years the standard of living has been steadily declining.

It seems to me that the success of any monetary system should be judged by the standard of living which the people can enjoy under it. If our standard of living has been steadily declining, as it has been for three years, then there is something seriously wrong with our money system and we have a prima facie case established against the present system. We may understand it better if we examine the causes of the crisis from which we are suffering, the so-called depression. I have not time today to attempt to deal with the many contributing causes of the crisis. One cause, of course, is the displacement of men by machinery; I will not attempt to deal with that. Another cause is the unequal division of wealth or income, with which I shall have to deal incidentally. The next cause is our antiquated money system, a debt-creating system which has been in use in the so-called civilized world for the last hundred years, under which, according to an estimate of the League of Nations, there has been built up throughout the world an aggregate debt of over four hundred billions of dollars. In the United States, according to an estimate I have seen, the figure is two hundred and eighteen billions, and I have seen an estimate of eighteen billions for Canada.

I suppose these debts are theoretically or technically payable in gold; yet all the gold in the world amounts to only eleven billion dollars. May I ask how anyone expects to pay in gold even the interest, let alone the principal of this debt of four hundred billion dollars. The interest is not paid in gold but in goods. When it comes to paying international debts they are paid with goods, and the tariffs which we hear so much about today only serve to impede that payment in goods. Many international debts are today impossible of settlement owing to tariffs and the low world price of export commodities. I believe that any student of the present crisis will agree that the immediate cause of this world situation is the collapse of commodity price levels which started in 1929, and which collapse was brought about by a deflation of the world's credit.

May I quote briefly from Sir William Beveridge, director of the London School of Economics:

> This is essentially a money crisis. There is a breakdown in the machinery of exchange. What we have in this crisis is a fall of prices, representing deflation of money.

That is a very positive statement. The house knows what deflation means; it means contraction. Evidently the remedy for the deflation of money would be an inflation of it; yet some leading men in the country tell us that the last thing in the world we can think of would be some inflation. All the inflation I want is enough to offset the deflation which has already taken place. There are many people in this country who do not believe that there has been any deflation; they say, "There is as much money now as there ever was." I want to contradict that statement positively and to give figures in support of my contention.

There are two kinds of money—cash or currency made with a printing press, and bank loans or credits created by means of a bank ledger and a fountain pen, as I have already said. I recently secured figures from the Deputy Minister of Finance to see what deflation had taken place in Canada in the last three years, from October 31, 1929 to October 31, 1932. I find that there has been a contraction or diminution of dominion notes in circulation in Canada of $50,000,000. As a

matter of fact, we have only about half the dominion notes in circulation now that we had in 1920. Speaking from memory, I believe we have at present $161,000,000 as compared with $320,000,000 in 1920. One would have to go back to 1914 to find a year in which there was as small an amount of dominion notes in circulation as there is today.

Those figures will give some idea of the deflation which has taken place in the amount of legal tender in circulation in the country. There has been a shrinkage of $50,000,000 in the bank notes in circulation in Canada. The figure is now down to $133,000,000. There is a diminution or contraction of approximately $600,000,000 in total bank loans in Canada outstanding on October 31, 1932, as compared with October 31, 1929. Of the amount of bank loans outstanding today I dare say that perhaps fifty per cent are frozen loans. The bulk of the business of this country is done by means of bank loans, and we are attempting to carry on with probably not more than one-half the amount of active bank loans which we had three years ago. Surely when these figures are available to the house no one will say that we have not been deflated. We have been deflated to the extent of approximately $700,000,000. How can business in Canada be normal under these conditions? The amount of business which can be done depends upon the money in circulation and available to the people. This deflation started in 1929 and has continued ever since. As a result the confidence of the people has been destroyed and the velocity of the circulation of money has slowed down. Once confidence is destroyed the whole vicious spiral of deflation gets under way and commodity prices go to—I shall not say where. As one commodity dealer has said: "If it is true, as some modernists say, that there is no hell, where have commodity prices gone to anyway?"

Speaking of commodity prices brings me to the present position of those engaged in our four primary industries, agriculture, forestry, mining and fishing. The prices received by the people engaged in these industries largely determine the amount of new money with which the people of Canada can do their business. When the prices of these commodities break fifty and sixty per cent, as they have done lately, is it any wonder that business has disappeared?

In order to illustrate the position of our commodity producers I shall deal very briefly with the position of the farmer. The farmer is affected by three different levels, the level of his debts, his taxes and insurance premiums, his hospital fees, etc., the price level of the goods he sells and the level of retail prices. As I remember the statement of the Prime Minister at the Imperial conference, he said that in three years the price of wheat had fallen sixty-three per cent, that of other farm products fifty-six per cent, and the cost of living, nineteen per cent. Averaging the price of wheat and other farm products, we find that there has been a drop of sixty per cent in the price received for these commodities, while there has been a drop of only nineteen per cent in the price of those goods which the farmer is forced to buy, and no drop at all in the level of his taxes or the interest on his debts. How can the farmer carry on? Forty-five per cent of our people are engaged in agriculture, and the prices they receive for their products largely determine whether or not there is to be business prosperity in Canada. The gross revenue of agriculture has decreased by over $925,000,000 in the last three years.

What I have said about agriculture applies in a greater or lesser degree to forestry, mining and fishing. We talk about the great debt of this country, and we sometimes forget that the payment of that debt depends upon the earning power of the people engaged in these industries. When this country was floating one of the great victory loans, Sir Thomas White was reported to have said that if the interest upon those bonds was to be paid, it would be paid from the top six inches of Canada's soil. There is no interest paying power in the prices received to-day by those who are working the top six inches of our soil. Those who are dependent upon the coupons which they clip from the bonds of Canada should be concerned about this matter; they should do something to bring back the buying power and paying power of the people engaged in our primary industries.

So far as the farmer is concerned, his load of debt has been doubled and, in some cases, trebled, but in connection with that debt there has been a fortuitous gain to the creditor because of the increased purchasing power of his money. If I remember the Prime Minister's words correctly, he said that in some cases this fortuitous gain has amounted to forty-eight per cent. Even if this increase could be borne, it constitutes a grave social injustice. Canada cannot return to prosperity so long as we maintain a policy which inflicts a grave social injustice upon the great body of producers of this country.

I do not think the people of Canada are going to put up with this forever, especially if we can get a chance to tell them what is going on. Of course, that will be very difficult. The previous speaker (Miss Macphail)

deplored some of the reports which had appeared in the press. So far as I am concerned I think the press has on the whole been very fair to me. To those who have been maligned by the press I should like to quote the words of an economist, not a politician. John Maynard Keynes, in his Essays in Persuasion, says this about the press:

> But we live in a curious age when utterances in the press are deliberately designed to conform with the worst informed instead of with the best informed opinion because the former is wider spread.

If the impending crash about which some people talk ever occurs, the metropolitan press of this country will be more responsible for it than the politicians. However, I believe that some of the papers in Canada are turning over a new leaf; they are showing better judgment than they did in the past. We find editors who realize that we face a really desperate situation and that new measures must be considered and considered in a friendly light and with an open mind.

I have not the time to recite fully the conditions which exist in Canada, but the present deplorable state of affairs is familiar to most of us. It is the result of the old policy of laissez-faire, the old "rugged individualism," the "survival of the slickest," every man for himself and the devil take the hindmost. In short, a state of anarchy is prevailing in Canada today, with regard to production and distribution. We cannot expect to get out of this condition until we exercise some control. We need something to replace anarchy, we need a planned economy. I know that some people think that it is very radical to talk about a planned economy, but in doing so I think we are in very good company. I should like to quote from the World's Economic Crisis and the Way of Escape. This is a collection of six lectures given under the auspices of the Halley Stewart Foundation by Sir Arthur Salter, Sir Josiah Stamp, J. Maynard Keynes, Sir Basil Blackett. Henry Clay and Sir William Beveridge. Sir Basil Blackett is a director of the Bank of England, and I think he will be considered as being eminently respectable. He says:

> A fair summary of what has been expressed in previous lectures would be that modern civilization finds itself on the brink of chaos owing to the inability of human beings to manage the machine they have brought into being. It is not merely that we are failing to make full use of the marvellous opportunities which science opens up to the twentieth century.

I hope hon. gentlemen will listen to this next sentence.

> We are in immediate danger of finding ourselves the victims of a Frankenstein of our own creation; the genius of man has outstripped his code of morals both in the national and in the international sphere. The structure of the twentieth century cannot be built up on outworn foundations. If we are to survive we must be prepared to "think adventurously" and to challenge existing values and the customs based on them, carefully distinguishing between those that have passed their usefulness and those that are really essential.

And then again:

> I wish to put before you this evening the view that conscious corporative planning is not only a desirable means of progress but an unavoidable necessity if we are to save the economic structure of modern civilization from disaster—

Those are just as strong words as I could use myself.

> —and that the immediate task to which we should bend all our energies is to prove to ourselves and to the world that planning is consistent with freedom and freedom with planning.

I regret the Prime Minister is not in the chamber to hear those words. I am sorry I have to skip so much of what Sir Basil Blackett said on that occasion. He says:

> Here we come to the heart of our present-day problem of a financial and economic crisis brought on not by scarcity but by plenty. It is the fact that this is a crisis of plenty which has shocked mankind and accounts in a special degree for that intense interest in economic and currency questions which has among its other manifestations brought crowded audiences to listen to these lectures.
>
> It is said that in proportion to their numbers there are more chess experts in the lunatic asylums than any other class, and next to them come currency experts.

Now listen to the laughter.

> In view of what we have done with currency and currency has done with us in the last twenty years, we are all of us fit for the lunatic asylum. If many currency experts go mad, it is the natural result of their coming face to face with the insanity of the monetary systems with which man has tortured himself ever since he passed from barter to money. Money was meant to be a yardstick with which to measure the value to be put on commodities and services in process of being exchanged for each other, but throughout the ages mankind has never been able to devise a monetary yardstick which did not at one time measure an inch and at another a hundred or more inches.

I remember reading some time ago that in olden times the yard in England was the measurement of the king's waistline. All of us will realize how the yardstick must have fluctuated in those days. The old Saxon kings used to have, I believe, fasting periods succeeded by feasts and one can imagine the

change in the yardstick after dinner. One can imagine the change which took place when the old king died and he was succeeded by a slim person like myself.

In the forefront of the reforms which the planned twentieth century demands is a stable money whose purchasing power will remain constant. It is to our failure to seize this primary necessity of any rational monetary system that our present distress is preeminently to be attributed.

I wish to draw the attention of the free traders in the house to the next paragraph which I read; and I want to apologize for such lengthy quotations from Sir Basil Blackett, but I cannot resist telling the house some of the things he has said in this excellent address. He continues:

And we have erred with our eyes open. At the Genoa conference of 1922, some forty-five nations there assembled solemnly adopted a series of financial resolutions which set before the world two principal aims, first the restoration of the gold standard and second the prevention of fluctuations in the purchasing power of gold. The nations of the world were remarkably successful in giving effect to the first part of these recommendations, and by 1929 practically the whole world except China was on the gold standard. But they signally failed to give effect to the second part of these recommendations, the stabilization of the purchasing power of gold, although it was far the more important of the two. Indeed it may be averred that the return to gold was by itself of importance mainly as a step towards stability of prices. By this neglect we have earned the well deserved punishment of our present distress. We snatched at stability of the foreign exchanges on the basis of an international gold standard, whose main value was that it would facilitate and expand world trade. With poetic justice most of the nations which have remained nominally on the gold standard are moving heaven and earth to restrict world trade in order not to be driven off the gold standard.

How are they moving heaven and earth? Why, by putting on prohibitive tariffs. After the nations all got back on the gold standard, the nations with the lower production costs, lower price levels, were able to ship their goods into countries that were on a gold standard and that had higher price levels, and they took their payment, not in goods, as they should have done in world trade, but in gold. The gold standard countries with the higher price levels, in an endeavour to protect their gold supplies which were not large, imposed prohibitive tariffs to prevent those goods from coming in. That destroyed all the good effect that might have accrued from the gold standard. The gold standard is the reason for the ultra high tariffs that have been imposed by the nations of the world in the last five or six years, and I am really very much surprised at free traders being such ardent defenders of the gold standard. I want to say very emphatically that I am opposed to these high tariffs; I want them wiped off.



According to Sir William Beveridge whose remarks are given in this book I have just been quoting from, the root cause of booms and depressions is that anarchy has been allowed to prevail in the issuing and in the destruction of credit. He says:

The making and unmaking of purchasing power has fallen into an anarchy, and from the anarchy spring the alternate inflation and deflation which make our booms and depressions. Unless we can restore effective control and stabilize purchasing power we shall never escape from crises.

There is the explanation for hon. gentlemen who want to know the cause of this trouble. Anarchy has been allowed to prevail in regard to the issuing and destruction of credit and the making and unmaking of purchasing power because the bulk of purchasing power is credit issued by banks. If I can quote from memory the words of R. S. Noble at a meeting of the Canadian Political Science Association in the spring of 1931, he said that in his opinion the main cause of the world depression was a stupid central bank policy with France and the United States the principal villains in the piece. If we are to get out of this depression and to avoid further depression, we must see that anarchy no longer prevails in the making and unmaking of purchasing power. I do not think any halfway measures will accomplish this. As regards a central bank, as has been suggested by some hon. gentlemen where the banks will cooperate with the government and they will each take a share in it, in the ownership of the bank, I do not think that will suit our purpose at all. Personally I think the state must assume its natural function of providing for its people a monetary system which will ensure that at all times there is just the right amount of money to serve the needs of the people.

Sir William Beveridge—and I think he can be called an orthodox economist—Director of the London School of Economics, says:

If you look back into history you will see that, from the earliest times, the making of money, of purchasing power, has been a thing which men have thought should be controlled by one authority in the state, should not be entrusted to many authorities or to private caprice. That, I believe, is a bit of basic common sense in economics. The making of purchasing power is a privilege too important to be allowed to a subject.

I want to repeat the last sentence:

The making of purchasing power is too important to be allowed to a subject.

We are in this crisis principally because we have not heeded that bit of basic common sense in economics. As Sir William Beveridge says, this matter is too important to be left to the whim or caprice of any banker or any corporation. Credit is the life blood of industry and it cannot any longer be entrusted to private authority. The state must assume control and we are responsible to the people of Canada in this matter.

I earnestly hope members of the House of Commons will be willing to assume their full share of responsibility and let us create a body which will be responsible to the people and which will be put in charge of credit in this country. The first step in a planned economy which Sir Basil Blackett mentioned and which I so ardently desire to see set up in Canada is a central bank owned by the state whose duty it would be to see that sufficient money is at all times available to allow us to distribute among our people the consumable goods which we can produce. Had we had such a system in operation in Canada during the last six years, we would not have had a falling standard of living for the past three years; we would have had instead a rising standard of living. That is the way to keep people employed. It will mean complete abandonment of the gold standard, so far as internal currency is concerned. So long as we depend on a gold standard we place our whole internal economy in the hands of the goldmongers of the world. As a red-blooded Canadian I am not content with that system. As a Canadian I want to say that our national money system must be one which will give us honest money. Some hon. members may ask what I mean by honest money—it is money which will be an honest measure value. As Sir Basil Blackett has said, we have a measure of value which fluctuates to the extent of at least fifty per cent in one year. We must have money which will always measure the same amount of goods, so far as the question of money affects the price of goods. It may well be described as a money which will enable the farmer and the artisan to work and to live, to pay taxes and to enjoy life—that more abundant life for which we were created. In 1914 we abandoned the gold standard; otherwise we would have lost the war. In that year bankers came to Ottawa and conferred with the Minister of Finance for a few hours; a special meeting of the cabinet was called, and an order in council was passed suspending redemption in gold. Bankers next day were relieved from the liability of paying out gold. We got off the gold standard in half a day.

Mr. GARLAND (Bow River): Illegally, at that.

Mr. COOTE: Yes, but I do not care about that. The action taken at that time was in my opinion quite proper. In the present instance we have had at least a year and a half to take similar action and we have not done it. However, I have not time to go into that phase of the matter; at a later time a better opportunity to do so may be afforded. We are engaged in a war today, a war against depression, unemployment, hunger and poverty, and this war can be won only by scrapping the system which has brought about the present desperate condition, and by the use of honest money issued only by a national government agency, and guaranteed by the real wealth of the nation. We must have money which cannot be cornered or depressed by enemies without the state, and which cannot be made scarce at a time when we need it most. One of my friends has suggested to me that enemies within the state might be included.

I shall not devote much time to a discussion of a substitution for the gold standard; I fear that already I have taken too much time on that particular point. But we can have a managed currency so that the amount of money in circulation will correspond to our production. Again I take the liberty of quoting the words of Sir Basil Blackett. He says:

> There is still a strong tendency to stigmatize all talk about stable money as unorthodox, visionary, cranky. Do not be frightened. Let the British people with their strong grasp of the practical realize that stable money is an intensely practical proposition, within their grasp today, if only they will believe in it and work for it and insist on getting it, and make up their minds to accept and enforce all the measures necessary to secure and maintain it.

I have before me a page taken from Lloyd's Bank Monthly, of London, England, in which I find the following statement:

> The pound sterling, since it has had no metallic basis has proved a better and more constant standard than gold. Indeed, if all currencies were stabilized in terms of purchasing power, with safeguards against inflation and deflation, instead of in terms of one arbitrary commodity like gold, these great changes in the burden of debts and other fixed charges would be avoided.

The first step in a planned economy is to create a money system owned by the state itself. Then an agency set up by the state —a central bank—would see, as I said before, that we have the money necessary for our own business, and not any more than is necessary. I do not want a bankers' bank; it should be owned one hundred per cent by the

state itself. That means that money would be controlled for the benefit of society.

I might very well recommend to the house the words of Henry Ford as they appeared in a magazine article last fall. He is reported as saying that the government should take back control of money. He states that the control of money is just as important as the postal service or any other national service. His words are:

> The government should take back control of money, and give us a public service money system, managed as our postal service is for the service of the people's business, managed as our weather service is for the protection of the people's business, and as our rivers and harbours are, for the promotion of the public business.

We have spent millions of dollars in harbour improvements for Canada so that our business may be promoted. Those harbours are not receiving half the traffic they should. Our railways are not getting half the traffic they should get because we have failed to provide our people with a proper monetary system which would enable us to distribute in Canada those things which some people are getting and others are not, and to develop a standard of living which only some now enjoy. The question may be asked: How would you get this money out? That is very easy to answer. I have to be very careful in my suggestions, but I wish to make one or two. The first is the payment of a bonus on wheat production in Canada. I would do it yet. We could put out quite a few dollars in Canada in that way. Last year in Australia the government paid a nine cent bonus on wheat. First, I say we should have a bonus on wheat, and perhaps on some other things, if necessary. I do not particularly like the system of bonuses, but at the same time something must be done to keep a lot of our farmers from falling back on the state for direct unemployment relief. I think the state would be wise to give them a slight bonus rather than to have them on its hands in the other way.

Then we could have a useful housing program to be operated in cooperation with some of the municipalities which might tear down some of the slums and replace them with decent dwellings. Within eight minutes' walk from this point in the city of Ottawa, in a vicinity adjoining Bank street, there are many buildings which look as though they might fall down at any time. Then, we should have a more liberal old age pension scheme; some of our old men should be relieved of their duties so that our young men coming out of school may have the opportunity of taking their places. We need state hospitals and medicine, and we need more state owned hydro-electric power stations. We must put the unemployed to work. A terrible state of affairs exists. The labour of 800,000 men is available to increase production of real wealth in Canada. We are crazy to think we would bankrupt ourselves if we put these people to work. I do not care if it did take $200,000,000 in dominion notes to put them to work; my idea would be to put those notes in circulation and keep them circulating. As I said before, the dominion notes in circulation today are about $160,000,000 less than they were in 1920. We would not be bankrupting ourselves. We would not be ruining ourselves. We would not be following the example of Germany if we took $200,000,000 and put those men to work. Why not put them to work? Is that not what the government promised to do? —but that was before hon. members opposite formed a government.

Miss MACPHAIL: Now they sit and laugh at anybody who suggests a remedy.

Mr. COOTE: We should increase commodity price levels, increase the returns of every farmer and of all the men engaged in our four primary industries. Then give us more public works. At a time like this, we cannot rely any longer upon private initiative to put money into circulation. That means that the government must act, and in this instance I refer to the federal government. That government has control of the economic forces which determine whether or not people can get employment. It has full control of finance, banking, currency and credit. It has control of railways and immigration. The responsibility lies on the Dominion government. How can it take care of the burden of unemployment? Let us produce some real policy, and put those people to work, a policy which will put purchasing power in their hands—because business depends upon the purchasing power of our people. And it depends upon that purchasing power going round and round. Once we get this money out we must see that it stays out, that some millionaire does not take a half million of purchasing power in any one year and side-track or hoard it up, waiting for a period of depression to come when he can go out and buy twice as many industries with it as when business is good. To keep it circulating I suggest that we should change our income tax; take the suggestion made by the Prime Minister, I think two years ago, a tax based upon this principle; one per cent on the first $1,000 of

taxable income, two per cent on the second, three per cent on the third, and so on, not stopping at twenty-five per cent on the twenty-fifth thousand as he suggested, but carrying it on until it reached ninety-nine per cent on the ninety-ninth thousand; thus you would effect a limitation of income to about $50,000 a year. That may be too small, or it may be too large, but I suggest for the consideration of the house that we adopt that as an emergency measure. I think it would prove so useful that we would not give it up. We should call the provinces together and suggest to them that the Dominion government should collect the inheritance tax and pay a share to the provinces and we should have an inheritance tax that would take for the state all that is left beyond what is necessary to make ample provision for the widow and orphans. That would be a kindness to some of the sons of our millionaires, for under the present system the money they get is the ruination of them, some of them become nothing but useless parasites on society.

This subject is well dealt with in a book entitled In Days to Come by the late Walter Rathenau, a former minister in Germany, the son of a wealthy German industrialist, who says that the handing over of these vast estates through legislation set up by the state is absolutely unjustifiable.

Then we should have some control over industry, particularly those industries which are now approaching monopoly; control of capitalization, to prevent the exploitation of the public through bonds and stocks such as has taken place in the last few years. With a proper income tax and business profits tax and inheritance tax we can collect enough money to give ample old age pensions and ample unemployment insurance.

Mr. SPEAKER: The hon. gentleman has spoken for forty minutes.

Mr. COOTE: If I may just have two or three minutes to conclude. I crave the indulgence of the house.

What I want, in short, is to give a feeling of economic security to the masses of the people of this country, who have always shown themselves willing to work and do their very best. Once we give them that feeling I am sure they will find it possible to develop the artistic side, the poetic side, the spiritual side of their life in a way that has not been possible hitherto but that should be possible in the days that are ahead.

Mr. A. A. HEAPS (North Winnipeg): This afternoon we have been discussing what I regard as one of the most important resolutions that has been introduced into this parliament. The three previous speakers have made a very strong indictment of the whole capitalistic system, and so far we find none so humble to do it justice. The viewpoint they have represented here this afternoon is being expressed by large and increasing numbers of people in Canada. I think those of the members of this house who during the past couple of months have had the opportunity of meeting either their own constituents or those in other parts of the dominion will realize that a great change has taken place among many hundreds of thousands of the Canadian people in their views of these great economic problems. It is generally admitted by all thinking people that there is something radically wrong with our economic structure. It is quite obvious that it is not functioning as it should, and that people in numbers undreamt of a few years ago are now in want, or are facing the future with the utmost uncertainty.

Some people claim that the condition in which we live is merely a dislocation of the economic structure. Those who make this admission and yet favour the retention of the existing system must realize that when a dislocation of the magnitude of the one we are at present experiencing occurs, it may mean that the capitalistic system is falling apart. There is no one today bold enough to say whether present conditions are temporary or permanent in their character. For almost three and a half years we have been confronted with this acute crisis, each day bringing forth the oft-repeated assertion that "prosperity is just around the corner," or that "we have reached the bottom." Just as no person is able to say whether the crisis is temporary or permanent, so no one can state with certainty that we have reached the bottom or have turned the corner. These statements are merely the expression of a pious hope, without any sound reasoning to support it.

The economic situation has compelled many people to give thought and consideration to these problems, and on every hand we find those who doubt the efficacy of our economic structure and who are wondering whether some other system more just in its character could not be devised than the one under which we are now living.

The crisis through which we are passing is man-made. It is not one that has been imposed upon up by some supernatural force. If the crisis is one created by the action of

man it ought not be beyond man's capacity to find methods of coping with it. The greatest desire of all people is for security, economic and otherwise. At present even those whom we term capitalists have not much security; certainly the great masses of the people who depend upon their labour power for their very existence have none. With the advent of the machine in industry our capacity to produce the essentials and even the luxuries of life has reached a capacity undreamt of by our forebears. Productive capacity has increased to such an enormous extent that it is a generally accepted fact that there is practically no limit to it. During the past hundred years the ingenuity of man has been directed towards perfecting our modes of production, but while this has been taking place the question of consumption and distribution has been left to take care of itself, with the notable exception of the efforts of the organized labour movement in all parts of the world. I claim that the greater the capacity to produce the better it should be for all concerned. Therefore, efforts such as are being made at the present time to supplant more efficient means of production with those less efficient is a retrograde step. Production should always be maintained at the highest level.

But in our present economic structure it is a fact that the greater our production and accumulation of wealth, the more poverty and all that it implies do we find in our midst. Such a self-contradiction affecting our daily lives cannot go on indefinitely. Those who advocate increasing our manufacturing establishments as a means of providing further employment lose sight of the important fact that it is not lack of production that is causing the present economic condition; it is the question of a reasonably equal distribution of the commodities produced amongst those who require them. Our energies must be devoted, not to the problem that has already been solved, that of production, but to the task of distribution. We have in Canada more than is sufficient to satisfy all our human requirements. Wheat has been used as fuel by our farmers, while in the cities people are begging for bread. Last year we were informed by hon. members of the house that potatoes were being sold at six cents a bushel because there was no market for them, yet many thousands would be glad of the opportunity of utilizing them to keep body and soul together. Our coal miners walk the streets in idleness, anxious to win the coal from mother nature, yet many a home is cold in winter for lack of fuel. In other parts of the world we find exactly the same conditions as we do here in Canada. For instance, in Brazil, there is too much coffee and it is being dumped into the ocean. In the southern states there is too much cotton, and they are making bonfires of it. Yet people are in dire need of these very commodities.

As I have already said, I am unalterably opposed to any policy of curtailing production. What I do want to see is a rational system of distribution, under which some of the conditions I have mentioned may be forever eliminated from our midst. Poverty in the midst of plenty is something which cannot exist for long. No people can take their rightful place amongst the nations if they are denied a proper and decent standard of living. The workingman within the state has his responsibility, just as the state has its responsibility to the individual. There seems to be an idea widely prevalent, which cannot be too strongly challenged, that the labourer is always seeking aid from governments. As a matter of fact, the person who receives the least assistance from the state is the worker. The state, for instance, protects the rights of property as against the rights of the producing class. If we will reflect for a moment on the aid that has been given by the state to financial institutions, to our railways, to manufacturing and shipping industries in this country, we shall see what a staggering figure that aid has reached, and what a staggering obligation it has thrown upon present and future generations. But the only direct way in which the state has come to the assistance of the worker in giving him economic security in Canada has been through old age pensions, and one or two other pieces of legislation of a similar character. If the worker at a time like the present seeks the assistance of the state, he hopes that that assistance will be given in such a way that he in return will be able to contribute something of a constructive character to the community. It is the worker, by hand or brain, who is responsible for the building up of a nation, and no nation can develop and progress if it allows its men and women to live in more or less complete idleness.

Today we are living in an era of contracting capitalism and competitive individualism, and the conflicting nature of these two forces must be quite apparent to hon. members. It is the object of the motion to remove the competitive basis of industry as it now exists, and to supplant it with cooperative effort in which all our citizens will be asked to give of their best in building up a strong and vigorous nation. Our design is to eliminate all that

is undesirable in the present economic system, and to keep that which is best, and to build upon that basis. Naturally this implies fundamental changes and a new mental attitude towards our economic problems. It means a considerable extension of the policy of government ownership, government control and regulation, beyond what we now have. I know that some hon. members are horrified at the thought of more government ownership or control, but I should like for a moment to enumerate some of the forms of government control that we now have and with which we come in contact in our daily life.

Taking the federal government first, it owns or controls the post office. It owns or nominally owns a railway. Then it controls, through the agency of a railway board, railway rates. It owns harbours and canals, and only very recently there came under the ownership and control of the federal government the radio broadcasting services in Canada. But there is a form of government control and regulation elsewhere by the federal government to a far greater extent than exists in any of the directions I have already mentioned. It has been stated in this house and on the public platform by members of the government that but for the tariff now existing in this country many of our industries could not possibly exist. So we see that in the tariff structure of Canada we have another form of government control and regulation. It has also been said by the Prime Minister and others that if the tariff had not been increased to the height it has now reached in Canada, some of these industries would have been driven out of business. So in the tariff we have a form of government control and regulation, and I regard it as a form of government control that acts simply for the protection of capital and in no way for the protection of those who are employed in industry.

In the provincial sphere, we find local governments owning or controlling hydro light and power, telephones, and, what may be of even greater importance to some people, the liquor business. Our provincial governments also have control of the educational facilities of the nation. A great many years ago the education of the rising generation was practically in the hands of private enterprise, but gradually we have reached the stage where private enterprise had to be supplanted by the state, and today education has become almost a state function in all parts of the country.

In the municipal sphere, we find a similar state of affairs. In many of our municipalities the transportation facilities are owned and controlled by the municipalities. It would be almost unthinkable if the water supply, for instance, of any city were in the hands of private enterprise, or anything else which has to do with the health of the community. Municipalities also control parks and recreation facilities, hospitals, and in some cases cemeteries, as well as looking after the general health of the community. My hon. friend from Southeast Grey (Miss Macphail) also adds golf courses, but I class them under the head of recreation, and not work.

In addition to what I have already enumerated, we find that various governments have introduced workmen's compensation acts providing for compensation to the man who is injured while at work. Minimum wage laws which affect different industries have also been introduced in different legislatures, and the hours of labour have been controlled. There have been similar enactments put on the statute books in all parts of this dominion, giving a certain control and regulation to the state of the industries affected.

What we are really asking for in this motion is that this idea of state control, ownership and regulation, should be extended a great deal further than obtains at the present time. I know that some hon. members of this house have a horror of the idea of government control or government regulation, but what is the position at the present time? Who is in control of industry in this country? Is it the individual or is it the banks? I venture to assert that most of the industries of this country are at this very moment owned by the banks or the great financial institutions of this country. So therefore when we advocate either state control or government ownership it really resolves itself into the question whether there shall be control and ownership by the banks or control and ownership by the state. And if we put that question plainly to the people of this country I have no hesitation in saying that they would prefer state control to banking control. Those who have been in control of the affairs of the nation in recent years have failed to grasp the significance of the vast changes which have been taking place in our midst. For many decades we have been building up a political democracy which finds expression through its representatives in this house. While that is desirable and is something which must be maintained, there has also grown up in this country a power which is a more potent force than parliament itself. I refer to the power of finance. I

am not entirely blaming the financiers for this state of affairs. I blame parliament far more because it ought to be sovereign in the country, and if parliament has allowed the financial interests to have such a controlling influence, then it ought to be the duty of parliament to see that the control of finance and credit should be in its own hands and should be utilized for the benefit of the people as a whole and not for the benefit of financial institutions.

We are told that if we allowed the state to own or control the industries of the country it would be doing away with that private initiative which helps to build up a nation. For a moment or two I want to deal with this question of private initiative, sometimes termed incentive, about which, if this debate is prolonged, we shall hear a great deal in this house.

I wonder what incentive the average working man has at the present time. Take a man working on the railway. He gives the best years of his life in the service of the railway, helping to build up the system in this country, and after he has worked for ten or fifteen or twenty or twenty-five years what does he find? What is his position at this moment after twenty or twenty-five years of service? He is told that his services are no longer required, and after an experience of unemployment he has to go into the bread line and take his chance with the rest, becoming a recipient of public relief. Is that any incentive, or where is the opportunity of initiative? And yet that is what we find among hundreds of thousands of our people. The average working man who has laboured in industry for ten or twenty or thirty years finds, when he gets old, that he is supplanted by someone who is younger and more vigorous and is therefore able to turn out a larger amount of work because he is more physically fit for the task. We find, therefore that men are thrown into the scrap heap and told to go and shift for themselves, and if they are fortunate enough to reach the age of seventy they will then be entitled to five dollars a week.

Most working men today like farmers live on the borderline of poverty, and these people who have a hard grind to make a living, year in and year out, eking out a mere pittance, hardly able to put anything away for a rainy day, have not much urge in the way of initiative or incentive. I maintain that the very system under which we are living crushes out of the individual that incentive which so many of us would like to see among the people as a whole.

[Mr. Heaps.]

I wonder how many people have been in Ford's factory or any similar institution and had an opportunity of seeing just how much incentive there is for the workers there. The individual merely becomes a cog in the machine. This is true of every industry. Industry has become so specialized in every line of endeavour that at the present time the eight hour day is nothing but a monotonous grind, and instead of the machine becoming the slave of the individual the individual is made the slave of the machine. I entirely disagree with those who suggest that under a sane and more orderly social system there would be no room for that incentive that makes for invention and progress. Let me say something that I have said in this house before, because it is worth repeating. There is one profession whose members do not always regard the dollar as the sole motive for scientific advancement. In most of the engineering lines and among other professions the main motive no doubt is the desire to accumulate a little more wealth. But here may I say a word with respect to the medical profession. In the sphere of medicine it has been a time-honoured custom that those men engaged in research in medical laboratories, those who are able to discover something of advantage to humanity at large, never attempt to use their discoveries as means to gain any commercial benefit for themselves. Such discoveries are given to the world at large so that humanity may be the gainer as a result of the efforts of these research workers.

Even though money has not been the incentive to the medical profession in bringing about these changes which in some way relieve human suffering, I believe I can state with considerable confidence that medicine has kept pace with almost any other branch of scientific activity we know of, so that it ought to be obvious, that given something worth while to strive for, the human being will usually respond, refusing to regard money as the motive for engaging in work of real value. Most people would be satisfied with the thought that anything which they might do to improve conditions in the world at large and to make for a happier life and a better standard of living would bring its own reward.

During the hundred and fifty years or so that capitalism as we know it today has been in operation it has been of some advantage to mankind; it has done certain things which the present generation appreciate. But we say that it has more or less outlived its usefulness; it has reached the stage where it is beginning to decay and is unable to function as a sane

or orderly system. It has almost perfected the art of production. We have produced wealth in abundance, wealth undreamed of a few generations ago; yet capital itself is at this moment rapidly disappearing from our midst. May I here make a distinction between capital and wealth? If the capital of a nation disappears it does not for a moment follow that one iota of wealth will disappear —I am of course referring to finance capital. Although, as pointed out this afternoon by the hon. member for Southeast Grey, a great deal of capital has disappeared from our midst during recent years, the wealth of the country remains intact, and all that is required is a sane system of planning whereby the wheels of industry will be kept running and men engaged in useful production.

Our indictment against capitalism is that it has made man the slave of the machine. On most occasions it has fought every effort made in the past to improve the conditions of the masses. In its competitive character it creates hatreds and jealousies; in its quest for markets it engenders war. It allows wealth to accumulate in superabundance in a few hands while vast numbers live on the border line of poverty and others in actual poverty and want. We in this corner of the house and many others in the house wish to replace these conditions by an economic structure which will really recognize the human being as all-important. Human wellbeing must therefore be the first consideration. We want competition replaced by cooperation. We want the human being to realize that his own and the community's interests are identical and that the wellbeing of the one is the wellbeing of the other. We want to abolish the real causes that lead to war. We want to abolish the idea that the interchange of commodities is a form of warfare, making people realize that, on the contrary, such interchange is the cement that binds nation and nation together. We want to eliminate that competitive individualism with the enormous waste and poverty resulting therefrom. We want to displace all this with an idea which will build up a strong and vigorous nation, where mutual help shall be the dominant factor instead of antagonism. If a labour government were in power today I would expect the faithful service of all citizens. As a writer in a British labour paper stated recently, under a labour government the state would enter upon the task of national reconstruction, keeping always before its eyes the principles of humanity. They should have precedence to profits.

Miss MACPHAIL: A labour government?

Mr. HEAPS: The hon. member for Southeast Grey asks, "a labour government?" I believe that if a labour and farmer government took control of this country we would expect just that thing. As far as I am concerned I do not care whether a government under another label brings in these reforms and fundamental changes in our economic life. What I am anxious to see is that these changes are made. However, I have little hope that any other group or party will be responsible for these changes except that group which happens to sit in this corner of the house. A labour or a farmer government, a combination of both, or the Cooperative Commonwealth Federation if given a mandate by the people, would inaugurate a policy which would govern the nation as though it were an association of citizens, cooperating to provide by the most economical methods for the material needs of all the people, requiring faithful service of all members of this association, and assuring to them a means of living a healthful and decent life.

This afternoon certain statements were made as to the constitutional aspects of this question. Whenever we desire to bring about a fundamental change, particularly in the economic life of the people of this country, we are always told that there is a constitutional difficulty. Let me say that where there is a will to bring about these changes which will improve the lot of millions of our people, then there will be found a way out of these constitutional difficulties. It is only when there is no will that there is no remedy. A few years ago the same constitutional difficulty was raised with regard to old age pensions, but we find that the constitutional objections were overcome and today approximately 45,000 people are receiving the benefits of old age pensions. If it had been necessary for the provinces to agree to certain constitutional changes to make that possible, these 45,000 people probably would not be in receipt of pensions. When the people of this country are prepared to bring about the changed economic conditions which are in keeping with the general terms of the resolutions proposed by the hon. member for Winnipeg North Centre, I think ways and means will be found of adjusting our constitution to meet the needs of the people. As has so often been said by others, the constitution was made for the people of Canada, not the people of Canada for the constitution.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, in connection with this resolution I find myself in almost complete agreement with the utterances of those who have preceded me.

I regret that no member of any other party in this house has so far taken part in the discussion. I trust that before the debate is concluded we shall have the result of their deliberate consideration with regard to a proposal which is not only fundamental but which is receiving with extraordinary rapidity the marked approbation of the people of Canada from coast to coast. Nothing has interested me so much in the last few months as the astonishing display of enthusiasm at meetings wherever this question has been discussed, the proposal to bring into being by constitutional and legal means a new social order has been considered. I wish hon. members could have attended some of these meetings and have heard the expressions of opinion of those who attended, the applause, the condemnation of existing injustices, and the complete agreement in the general denunciation of the inhuman and unsocial character of the economic order under which at present we are condemned to function.

As I say, I find myself in accord with the words used by the hon. members who have preceded me. They have done something which neither of the old political parties, with all their experience, with all their love for the existing capitalistic system and their reverence for those institutions which they are determined to keep alive, has yet done. We have developed a constructive social plan. It is true that it is tentative in character and will be subject to necessary modifications from time to time, but hon. members on both sides of the house, particularly of the government, have so far utterly failed to offer the people of this country any constructive plan whatever. They have shown that they are bereft of courage and vision in the handling of the situation, even if they have the economic knowledge, which I very seriously doubt.

We have been in an economic tailspin, if I may use the phrase, for three years. We are now entering the fourth year, and any tailspin which is permitted to go on unchecked will sooner or later bring about the crash. That is just about the stage this country has reached. Even the Prime Minister (Mr. Bennett) has expressed the gravest alarm at the dangerous financial, commercial and economic condition of our people. But what is he doing about it? What is his plan? Does he think he can make the present social and economic order function intelligently? Does he think that under capitalism he can ever undertake the distribution of the collectively produced wealth of Canada upon a fair and equitable basis? Does he imagine that under capitalism he will be able to cure unemployment? Does he believe that under capitalism he is going to establish equality of social and economic life for the people of Canada? If he does, then I tell him that he does not know anything about economics.

During the three years of this tailspin we have had no constructive leadership; it has been just a jumping from one crazy idea to another. First, high tariffs; then, rigid deflation; at another time the expansion of money in order to relieve unemployment; at still another time the contraction of money; and today we have the all-pervading policy of economy. This is the most destructive deflationary policy which could possibly be conceived, and the most stupid which could be inaugurated in a country where, as other speakers have suggested, the only problem is to discover how best to consume the wealth of goods which we are so capable of producing collectively. There has been no intelligent leadership, on the part of either the bankers, the statesmen, the big businessmen or the political parties during the past three years. They have all concentrated with everlasting energy and persistent resolution upon the effort to "just get by" in the hope that some expected upturn which they have no justification to expect, will occur. There has been no application of rationality to the problem; there has been no wish to experiment; there has been no boldness in policy; there has been no understanding of the modern economic world in which we live, in short there has been no leadership.

Debatable as it may be, inadequate as I grant you it possibly is, we in this corner of the house at least are offering to the people some leadership, some way out. You may call it wrong, stupid, and futile. I believe it to be sound, intelligent and rational. If it is not, then in the most friendly sense I challenge hon. members on both sides to disabuse me of my consciousness in this regard. But let me point out for their interest that men who hold infinitely higher positions than I ever hope to attain have already expressed themselves in no uncertain terms on this matter. Let me take words I used last year and use again, the words of Lord Marley, speaking on June 22, 1932 (not long ago), in the House of Lords in Great Britain, that chamber which with the exception of our own upper house is perhaps the greatest bulwark of the existing capitalistic system one can find anywhere on earth. This noble Lord said:

The capitalist system is tottering. Unfortunately we cannot be entirely detached because

we are affected in the common smash. The difficulty of the system is how to consume the goods which the system is able to produce.

Even he understood that.

The greatest danger in the world from the system—

And I ask hon. members to note these words of his.

—is the danger that the only means of consuming these goods to an adequate extent is by another world war.

Let those significant words sink into the consciousness of hon. members both opposite and around me. One can philosophize at times, but after all we are facing practical difficulties and issues now. I ask hon. members what they conceive to be the cancer, the canker, that is wrecking this civilization as surely as I am standing here. With all the earnestness, sincerity and moderation at my command I say this. That cancer is that we have an economic code which bases its conception of success upon the attainment of wealth. We do not ask how the wealth is attained. It may be by any kind of trickery or chicanery, by stock juggling, by syndicates formed to exploit the shareholders of a company; it may be by a dozen devices well known to hon. gentlemen, well known to competitive commercialism. But I say to them that the philosophy that underlies and governs such a system belongs to a day of primitive and primeval barbarism and not to a modern Christian civilization. Somebody said this afternoon that there had grown with the system the strange idea that the survival of the fittest was the law which should govern—the law of the jungle.

## BUSINESS OF THE HOUSE

### PRIVATE MEMBERS' DAYS

Right Hon. R. B. BENNETT (Prime Minister): Before the house rises, I wish to move a resolution that I promised the last day before the fall adjournment. I move:

That the following resolution passed by the house on October 7, 1932, be rescinded:

"That on and after Monday, the 10th instant, and every day thereafter, government orders shall have precedence over all business except questions by members and notices of motions for production of papers."

And that standing order 15 be adhered to in the same manner as though the session had opened on January 30, 1933.

It will perhaps be recalled that I indicated to the house we would treat private members' days as though the session opened on the 30th day of January, and this is to give effect to that understanding. It is well that the motion should be passed now, because tomorrow is a private members' day, and the hon. member for Bow River (Mr. Garland) will be able to continue his remarks.

Motion agreed to.

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

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# Thursday, February 2, 1933

The house met at three o'clock.

## MIGRATORY BIRDS CONVENTION ACT

Hon. T. G. MURPHY (Minister of the Interior) moved for leave to introduce Bill No. 19, to amend the Migratory Birds Convention Act.

Right Hon. W. L. MACKENZIE KING: Explain.

Mr. MURPHY: The first amendment is designed to obviate the necessity of printing the regulations in the prefix to the annual statutes. This is done at the request of the authorities concerned with the printing of the statutes as it delays publication and it is felt that since the regulations are printed in the Gazette and distributed by the department, the third publication in the statutes is unnecessary.

The purpose of the second amendment is to obviate the need of the Royal Canadian Mounted Police taking an additional oath in connection with the particular enforcement of the Migratory Birds Act such as must be taken by every special constable appointed to enforce this act. Their regular oath of office is sufficient for the needs of the act.

The purpose of the third amendment is to eliminate the ambiguity in the wording of section 6 since the word "bird" is not defined in the act to include the various birds which it protects.

Motion agreed to and bill read the first time.

## QUESTIONS

(Questions answered orally are indicated by an asterisk).

### CONIFEROUS SEED EXTRACTION PLANTS

Mr. REID:

1. How many coniferous seed extraction plants are operated by the government?
2. Where are these located?
3. What were the various amounts of coniferous seed extracted last year?
4. To what countries is this seed exported?

Mr. MURPHY:

1. One.
2. In New Westminster, B.C.

3.

| | Pounds |
|---|---|
| Picea sitchensis (Sitka spruce).. | 732 |
| Pseudotsuga taxifolia (Douglas fir).. .. .. .. .. .. .. .. .. | 30 |
| Pinus contorta (Lodgepole pine). | 140 |
| Tsuga heterophylla (Western hemlock).. .. .. .. .. .. .. .. .. | 13 |
| Thuja plicata (Western red cedar).. .. .. .. .. .. .. .. .. | 37 |
| Abies grandis (Lowland fir).. .. | 20 |
| Alnus Oregona (Oregon alder).. | 25 |
| Alnus sitchensis (Sitka alder). .. | $\frac{5}{8}$ |
| Chamaecyparis nootkatensis (Yellow cypress).. .. .. .. .. .. .. | $\frac{1}{8}$ |
| Total.. .. .. .. .. .. .. .. .. | $997\frac{3}{4}$ |

4. British Forestry Commission, London, England; Forestry Branch of Government of Northern Ireland.

IMMIGRATION OF AGRICULTURAL LABOURERS

Mr. REID:

1. How many agricultural labourers were admitted to this country during the years of 1930-1931-1932: (a) from European countries; (b) from the British Isles, including also the Irish Free State?

2. How many immigrants exclusive of agricultural labourers were admitted to this country during the years 1930-1931-1932: (a) from European countries; (b) from the British Isles, including also the Irish Free State; and in both cases not including boys or youths?

Mr. GORDON:

1.

| | Fiscal year 1929-1930 | 1930-1931 | 1931-1932 | 1932-1933 (6 mos.) |
|---|---|---|---|---|
| From the British Isles (including Irish Free State).. .. .. .. .. .. .. .. .. | 13,257 | 4,557 | 551 | 174 |
| From European countries.. .. .. .. .. .. | 28,057 | 12,118 | 50 | 65 |

2.

| | | | | |
|---|---|---|---|---|
| From the British Isles (including Irish Free State).. .. .. .. .. .. .. .. .. | 39,978 | 18,141 | 5,125 | 1,620 |
| From European countries.. .. .. .. .. .. | 31,948 | 18,962 | 2,877 | 1,453 |

The above figures include all adult male farmers and farm labourers.

## BUSINESS OF THE HOUSE

PRECEDENCE OF RESOLUTIONS ON ORDER PAPER

On the orders of the day:

Mr. O. L. BOULANGER (Bellechasse): Mr. Speaker, I desire to raise a point of order. On Monday of this week I presented a resolution; it was not adopted because as soon as I had finished speaking the hon. member for Compton (Mr. Gobeil) caught the Speaker's eye and moved the adjournment of the debate. Yesterday a resolution was introduced by the hon. member for Winnipeg North Centre (Mr. Woodsworth). After the adjournment of the debate on it my resolution was placed in that section of the orders of the day entitled public bills and orders. I find today that the resolution introduced yesterday by the hon. member for Winnipeg North Centre has been placed ahead of mine in the orders of the day. I do not know much about the intricacies of printing the Orders of the Day, but it seems to me in good logic that as my resolution was presented first it should appear first in the section to which it belongs.

Mr. GARLAND (Bow River): On the same point of order, may I submit to Your Honour that I did not move the adjournment of the debate last night but that you called six o'clock while I was still continuing my speech. The adjournment was moved in the case of the resolution to which the hon. member refers, and it properly takes its place on the order paper. The continuation of yesterday's discussion is the natural order for today.

Mr. LAVERGNE: On this point of order, according to standing order No. 17:

(1) All items standing on the orders of the day (except government orders) shall be taken up according to the precedence assigned to each on the order paper.

Therefore today, the adjournment of the debate having been moved on Monday, it seems to me the motion of the hon. member for Bellechasse (Mr. Boulanger), should appear today on the order paper before the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth). This question has to be discussed in the house. I think the point of order taken by the hon. member for Bellechasse is correct, and his resolution should appear before that of the hon. member for Winnipeg North Centre.

Mr. SPEAKER: In my opinion the arrangement of the order of business as it appears on the order paper today is correct and

in accordance with standing order No. 27, if the hon. member will refer to that:

27. If at the hour of six o'clock p.m. on a Wednesday, . . . a motion on the notice paper be under consideration, that question shall stand first on the order paper of the following day, next after orders to which a special precedence has been assigned by standing order or order of the house.

Consequently the resolution under discussion, to which the hon. member was speaking at six o'clock last night, takes precedence on the order paper today.

## PENITENTIARIES

### REPORT OF INVESTIGATION BY SUPERINTENDENT INTO RECENT DISTURBANCES

On the orders of the day:

Mr. SAMUEL FACTOR (Toronto West Centre): May I ask the Minister of Justice (Mr. Guthrie), if he intends tabling the report of the superintendent of penitentiaries in connection with the riots?

Hon. HUGH GUTHRIE (Minister of Justice): There is a report now in the hands of the printing bureau, which I expect to have in the course of a few days.

## UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): I would like to bring to the attention of the government a rather serious condition that exists in the city of St. Boniface. The matter is embraced in a brief telegram. But if it is against the rules of the house to read the telegram, I will explain the matter.

Mr. SPEAKER: I think it would be as well to address the question direct to the government. It is not a desirable practice to read telegrams or newspaper extracts in prefacing a question.

Mr. HOWDEN: The message is from the mayor of St. Boniface. He states that the merchants in St. Boniface have refused to honour the vouchers of the city of St. Boniface for relief. He says that the city of St. Boniface, in applying to the provincial government, have been notified that they cannot afford any relief, and he wires to me, asking that I present the matter to the federal government in the hope that possibly this government may be able to fill the gap and render the necessary assistance. May I, therefore, ask the Prime Minister, as representing the government, whether the federal government of Canada is in a position to assist the city of St. Boniface at this time.

Mr. BENNETT: I think the Minister of Labour is in a position to answer that question.

Hon. W. A. GORDON (Minister of Labour): Many requests come to the federal government from municipalities throughout Canada, suggesting that this government should deal directly with the municipalities. I would earnestly suggest to the hon. member that he ask the mayor of St. Boniface to turn to the premier of Manitoba with his troubles, and proper subscriptions such as we have been making will be made in order to assist them in the discharge of their functions.

Mr. HOWDEN: I have already stated that the mayor of the city and the council have appealed to the local government, which is unable to help them.

Mr. SPEAKER: The question has been asked and answered.

Mr. HOWDEN: I have not yet received an answer whether the government will or will not assist in the matter.

## COOPERATIVE COMMONWEALTH

The house resumed, from Wednesday, February 1, consideration of the motion of Mr. Woodsworth:

Whereas under our present economic arangement large numbers of our people are unemployed and without the means of earning a livelihood for themselves and their dependents;

And whereas the prevalence of the present depression throughout the world indicates fundamental defects in the existing economic system;

Therefore be it resolved,—That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

Mr. E. J. GARLAND (Bow River): At the adjournment of the house last night I was endeavouring to point out that the evils from which we are suffering under the present economic system are attributable in a large degree to the fact that we predicate success under that system on the accumulation of wealth. We were not, I suggested, very particular as to how the wealth was acquired, by what method it was obtained, at what cost to the people, the extent of the suffering involved, nor did we have any regard to its effect on the welfare of the people as a whole. All that seemed to be required was to acquire wealth, and if one secured enough of it we would spread red

carpets for the fortunate possessor, strew roses in his path, he might even aspire to the highest offices in the land.

I suggested that the philosophy under which the system operated belonged to a barbaric stage in the progress of society and not to what we are pleased to call a Christian social order. The condition of things I indicated belonged to a primitive and barbaric state of society, and underlying it all was the philosophy of the survival of the fittest. As pointed out yesterday by an hon. member, the commercial system seems to be actuated by that idea, and he properly paraphrased the old sentence; because, were it the survival of the fittest, that would be bad enough but, as he well said, it means today the survival not even of the fittest but of the "slickest."

Someone has said somewhere that if he were asked to design a crest emblematic of the present order he would first draw the two donkeys' ears that bedecked the head of the mythological King Midas. He is said to have devoted his entire attention to the acquisition of wealth, turning everything to gold, and we are told in the end he suffered starvation, despair and death. Now we see around us an economic system based on precisely the same philosophy that actuated King Midas, the acquisition of wealth, and it is dying, as its prototype did, in starvation, misery and despair. This does not mean, of course, that capitalism will vanish tomorrow or next week. It does mean, however, that in sound evolution, economic forces, forces beyond the apparent control of either of the political parties in this house, will bring an end to a system a characteristic of which is inhuman injustice.

I would ask hon. members opposite whether they imagine for an instant that a state that is not founded on social justice and equity can survive. If they do, then they ignore the teachings of history; for we have seen empires and nations dethroned and dispossessed of power because injustice had crept into the functioning of the economic and social systems under which they existed. Regard, if you will, the Roman empire, where great Caesars and nobles invested with special privileges passed on their way to an unhappy end. Study again the French revolution, characterized by the Bourbonistic type of mind—a type of mind still prevalent in this country, sad to say, the mind which can suggest to people who are suffering that if "they cannot get bread they should eat cake." That type of philosophy, which is still prevalent, was responsible for the destruction of the leaders of France at that time, so that all that is left of that era, apart from a few written words in the history of the day, is the memory of red threads in the stockings knitted by Madame Defarge and those associated with her when the heads of the rulers fell. Consider again the situation of Russia, then the last remnant of medieval autocratic feudalism left in Europe, a remnant which in turn came to its unhappy end.

What have we here today? The leader of the opposition well described the situation not long ago when he said that we have a form of imperial feudalism. We have more than that; we have an economic imperialism, extreme in type, into which has been concentrated, by a process of greed and acquisition on the part of the few, the entire control of and dominion over the wellbeing of our people. Do you imagine that the capitalistic kings and emperors of finance and industry today are on a sounder basis or can survive any longer than did the old feudal kings and emperors of past days? Disabuse your minds of that idea; the present condition cannot continue. This injustice cannot last. As the hon. member for Southeast Grey (Miss Macphail) said yesterday, "red-blooded Canadians," to use the words of the Minister of Railways (Mr. Manion), will not permit the continuance of such a system in this country. In Great Britain at the moment there is such gross inequality that a study of statistical returns will indicate that about ten per cent of the people control almost all the wealth and power in the state. That seems pretty bad, but turning my studies to a work by Professor W. H. Wakenshaw, formerly of Exeter college, Oxford, in regard to the distribution of wealth in America, I find that in 1850 sixty-two per cent of the national income went to the producer and thirty-eight per cent to the non-producer; by 1860, ten years later, forty-three per cent went to the producer and fifty-seven to the non-producer; by 1870 thirty-three per cent went to the producer and sixty-seven to the non-producer; and by 1900 ten per cent went to the producer and nearly ninety per cent to the non-producer. Of course we may dispossess ourselves of responsibility in that regard by saying that it is not so in Canada. Unhappily for those who hold that view our own statistical returns will disabuse them of that conception. If hon. members will take the trouble to analyze thoroughly the income tax returns of Canada they will find, speaking roughly, that there are about 5,300,000 persons in this country of twenty years of age and over, the

adults of Canada. Of that number about three per cent pay income tax while ninety-seven per cent apparently have not enough income to fall within the income taxable class. Of course this does not mean that there is not a large body of wealth outside the income taxable group, but hon. members know how difficult it is to live upon their present salaries or indemnities; they are subject to a small amount of taxation under the income tax and therefore know something of their difficulties in maintaining a reasonable standard of living. The knowledge of this fact will give them some conception of the extraordinary disparity in income in the dominion when they realize that ninety-seven per cent of the people are on a lower plane and are living under very much lower standards than they are themselves.

No system in which such inequalities exist can continue. I should like to ask hon. members opposite and to my right if they think that we are upon a solid foundation when the economic system apparently relies for its stability upon the economic freedom of the few and the economic enslavement of the many? We may not think ourselves responsible for the excessive disparity which has brought this condition about, we may not think ourselves responsible for the unrestrained racketeering upon the part of the industrial and financial institutions in their wild exploitation and waste of our natural resources, in the grabbing for wealth, in unjust taxation, and for many other evils inherent in the system, but I do not think that I need to tell hon. members that we are responsible, particularly in this chamber. Upon us has been placed the onus of solving these problems and bringing about a social order in which justice shall prevail. We are responsible and we have a duty to see that these wrongs are ameliorated or replaced by a system more equitable, by one which will subordinate the interests of the individual, the greedy, predatory individual, to the general good of society.

Any student of the questions back of the present world system of monetary control, involving as it does our own country, knows that it involves also the piling up of the means of production at the cost of a progressive, relative lessening of the means of consumption. The consuming power has seriously declined, there is less and less inclination at this moment to increase the production of goods; in short, as one of my colleagues has said, the end of an era has arrived. There are still experts, so-called, who suggest that we should continue to develop production. The Prime Minister himself in his now famous, or perhaps I should say notorious New Year's address, directed the attention of the people of wealth in Canada to the necessity of investing their reserve funds in production. In the name of heaven why should we produce more goods which the people are not permitted to consume, or more goods which cannot be shipped abroad under the existing system? What object could be attained at this moment by investing more money in production? As has been so well said by those who have preceded me, the job is to develop a system by which we can consume and then production will take care of itself.

After all, this is a part of the real issue, of the practical question which is before us, the suffering, the inhuman injustice and misery which is all around us. Individual hon. members are more and more becoming cognizant of the true condition, but many others have not gone behind the cold statistics. Do they realize what 700,000 or 1,000,000 unemployed men means? Do they understand the spectre of want? Do they understand the gnawing worry and anxiety of the family whose bread-winner cannot get a job no matter how he tries? Do they understand the degrading and demoralizing effects of having to go down daily or weekly for relief, of going to certain stores in order to obtain a very meagre existence from a not too benevolent state? I wonder if hon. members have any conception of the weakened minds, broken bodies and diseased souls which these conditions have brought about? Have they studied the figures of suicide to ascertain their causes since this depression commenced? Have they studied the records of the penitentiaries, have they found out that these institutions today contain about double their normal quota? Have they undertaken an investigation of the insane institutions even in the provinces of Ontario and Quebec and found them overflowing and this in the face of the fact that all too many others are unable to secure admittance to such institutions? I wonder if hon. members have really understood the inexcusable horror of real want?

Have hon. members ever gone into a magistrate's court some morning when the vagrancy charges are being brought up? I had the suffering to endure of attending a court in Toronto a few months ago, and I shall give the house a picture of what I saw there. There was a number of men ranging in ages from sixteen to thirty-eight years. Most of them appeared to be the ideal type of citizen, earnest looking, and, according to their

declarations, willing to work; they were healthy looking except that they were becoming rather pallid and thin-cheeked. The same ritual took place in every case. As the unfortunate man was brought before him the magistrate said "guilty or not guilty?" "Guilty, sir." "Do you want work?" "Yes, sir." "What kind of work?" "Any kind, sir." "How long have you been unemployed?" The answer to this question varied from two to three years to two weeks. "You cannot get work?" "No, sir." "All right, three months." And so it went on, as the court pursued its relentless task. The magistrate seemed to be a human sort of individual who had an understanding of his task but he was as much a victim of the system as those who were brought before him, there was nothing he could do to give work to those men.

The steady stream was broken twice by pitiful incidents. There was one man brought there, a six-footer, a fine looking type of man who looked like a Cape Bretoner or a highland Scotchman; he had the high cheek bones and the prominent nose of the fine highland type. He stood in the dock with a sort of defiant look upon his face and as the magistrate said "guilty or not guilty?" He said, "guilty, sir." "Do you want work?" "Yes, sir." "What kind of work?" "Any kind, sir." "How long have you been out of employment?" "Two weeks, sir." "You have been in the city for two weeks?" "Yes, sir." "You cannot get anything to do?" "No, sir." "Do you want work?" "Yes, sir, I will take anything." "What have you been doing this summer?" "I was working on a farm." He then gave the name of the farmer and the location of the farm. With a lawyer's trick the magistrate turned to him quickly and said, "what did you do with the money you made farming?" With a slight smile upon his face the man replied, "I was working for my board." The apparently customary judgment of three months was then given.

Does the house get the significance of this? Three months for what crime? For the solitary crime of not being able to get a job under a system which has broken down and which can offer no job. This is why we are sending our own Canadian citizens to gaol. There was only one foreigner vagrant present the morning I attended court, a Macedonian, an old man who had been picked up by a constable upon the streets in a sick condition. He had asked to be sent to a hospital and this was the only instance in which a constable was called upon to take the witness stand. The magistrate called upon the court interpreter, who happened to be a little, stout Jewish or Armenian woman. She stepped over to the dock and talked with the man in his own language, and her interpretation corroborated the evidence given by the constable. She said that the man said he was sick and would like to go to a hospital. For the first time the magistrate seemed to be disturbed; he lifted his hands off the desk in a gesture of despair, thought for a moment and then said, "Oh, well, you will get some medical care there; three months." Three months for the sick as well as for the well, and we call this a Christian society, we call this a human society. We believe that a system of this kind can endure; hon. members opposite think they can make it endure but I tell them that they are treading in the midst of dreams if they imagine that such injustice will continue to be endured by the people of this country.

Mr. LAWSON: If the hon. gentleman will allow me a question—

Mr. GARLAND (Bow River): Just a moment, and I will answer any questions that I have time after my forty minutes is up.

Mr. LAWSON: Will the hon. gentleman give me the date of the incident to which he refers?

Mr. GARLAND (Bow River): I do not have the date of the incident at the moment nor is it necessary because you can go to any magistrate's court in Canada where vagrancy charges are tried, and you will find the same thing, or practically the same.

Mr. LAWSON: The hon. gentleman—

Some hon. MEMBERS: Sit down!

Mr. SPEAKER: I would ask the hon. gentleman not to interrupt without permission from the hon. member who has the floor.

Mr. GARLAND (Bow River): Yes, sit down. I will tell the hon. member something as bad as that, of which I had not intended to speak at this stage. The conditions I am speaking of are true not only with respect to the unemployed industrial workers, but to a slightly lesser extent of even some of our farmers. Let me give an illustration. A friend of mine, one of the directors of the Alberta wheat pool, employed a fine young Canadian farmer for three years. This young man saved his money, and two years ago took up a bush homestead north of Edmonton, and of course, as young men sometimes do, he got married. This last harvest season he wanted to make some money with which to carry himself and his

wife over the winter, and so, rolling up a few blankets he jumped a freight train from Edmonton and went down to Camrose, and worked in the harvest fields there for six weeks. As many hon. gentlemen know—the harvest season there was broken by rain and snow, and the actual amount that this young man saved as a result of all his effort was $36.90. When he had accumulated that amount, he received a letter from his wife telling him she was sick, that the nearest doctor was sixty-five miles away, and asking him to please come back at once, to get medical advice in Edmonton and bring home some medicine. That young Canadian rolled his blankets, jumped a freight train, and got as far as Clover Bar station when the mounted police came on board, handcuffed him, took him down to the guard house, finger-printed him, photographed him and cross-questioned him. They took him before Mr. Justice Pidgeon next morning, and he was fined $2. He then saw a doctor, got the medicine for his wife, and not being willing to risk being caught by the police a second time, paid his passage home and arrived there with the sum of $15 in his pocket. Do you call that justice? Do you think that this is a decent sort of system when people of that type, and this young man is one of the finest types of men I have known in western Canada, a young man anxious to contribute what he can to the well-being of our country, have to suffer things like that? But that is the sort of thing we mete out to him.

I was not surprised when my hon. friend from Macleod (Mr. Coote), yesterday, in quoting from various authorities, referred to the statements of Sir Arthur Salter and Sir Basil Blackett. I have a quotation here now, which I will ask even the Prime Minister (Mr. Bennett), to listen to, because this is what the Cooperative Commonwealth Federation intend to do, and we are going to get a chance to do it. Sir Arthur Salter says:

> We need to reform and in large measure to transform this system. We need so to improve the framework of law, of institutions, of custom and of public direction and control that the otherwise free activities and competitive enterprises of man, instead of destroying each other, will inure to general good. In the organization of industry, of credit and of money, we need to supplement the automatic processes of adjustment by deliberate planning.
>
> If we fail—the alternative is an intervening period of collapse and anarchy, followed by chaos and a different system inconsistent with political and personal liberty.

We are going to save the best that is in our present civilization, Mr. Speaker, if hon. gentlemen opposite can forbear long enough in their support of capitalism to permit us to do it.

Let me give another illustration. There is a great scientist in Great Britain called John L. Hodgson. He delivered a most informative lecture before the Royal Society of Arts, a very respectable body of men, containing in its membership knights, baronets and peers of one kind or another. Many of these men are intellectuals, scientists, and they listened to this lecture of Mr. Hodgson, as is shown by the discussion, with a good deal of interest. Listen to what he says, and then let us apply it to our own conditions:

> Every week for the past twenty years my work has on an average given somebody wealth at the rate of £2,500 a year. Instead of being able to contemplate with joy the prosperous community that such an increase in industrial efficiency should have brought into being, I am haunted by a wan army of 20,000 unemployed from whom my efficiencies have filched away their life purpose and their means of adequate livelihood.
>
> As I look round, I notice that the unemployed in England alone would, if set up side by side with their wives, children and dependents, form a parapet longer than our two thousand miles of coastline. Picture this two thousand mile line of living poverty and hopelessness in a country rich in knowledge and wealth beyond the dreams of all the ages!

Is not that equally true of this country where we have seven or eight hundred thousand unemployed, with a long streaming line of dependents, stretching mile after mile, people living in abject poverty and hopelessness in a country which in wealth of material resources and equipment is beyond the dreams of previous generations? Why all this suffering? Is there no way out? Have hon. gentlemen opposite no way out? Is there no answer? They have yet to give us their plan. I challenge them to stand up in this house before this debate is concluded and say what their plan is.

Some hon. MEMBERS: What is your plan?

Mr. GARLAND (Bow River): May I have a little order, Mr. Speaker?

Mr. SPENCE: Deliver your own views; never mind reading so much.

Mr. GARLAND (Bow River): Hon. gentlemen will hear my views aplenty before I get through. I understand that the constituency of Parkdale from which my hon. friend (Mr. Spence) comes is convinced that the time has come when his usefulness to the city of Toronto can be dispensed with.

Mr. SPENCE: You do not know much about it.

Mr. GARLAND (Bow River): I should like to give a quotation from Sir Basil Blackett, a director of the Bank of England,

from whom my hon. friend from Macleod (Mr. Coote) quoted yesterday, but as he had not time to include this reference I wish to place it on Hansard in support of our contention that we must have a definite economic planning of our society and the greed and predatory ruthlessness which has been the motive force so far must give away to the welfare of the community. I quote from The World's Economic Crisis. Sir Basil Blackett said:

> All along the line we have simultaneously to get to work to overhaul existing methods and practices and to rebuild our institutions.

He goes on:

> There is no reason why in a short time any human being should feel serious anxiety about the provision of food and clothing and house-room for himself and for those for whom he is responsible. Science offers to us and to the generation immediately ahead of us a standard of living—

Notice what he is saying:

> Science offers to us and to the generation immediately ahead of us a standard of living and of material comfort immensely higher than any that has been known to the most fortunate of those which have gone before.

Let it be our work to make that utopian dream, if you wish to call it that, that "nostrum"-like prediction of so respectable a person as Sir Basil Blackett, a director of the Bank of England, come true. Let that be the object of every hon. member of this house, instead of supporting the crazy-quilt state of society which has grown up, like Topsy, without planning or direction, and with the overwhelming motive of the private accumulation of wealth irrespective of the well-being of the people. Why should we any longer assume that the provision of work is necessarily the primary object of industry or of our own social effort, when as a matter of fact the entire trend of industry and of our economic and scientific system is towards the elimination of employment or the reduction of the necessity for labour. Is it not time then that we came back to a question which I asked in the house three years ago when I was discussing the technological changes in industry? The question was: Is the sole basis of living to continue to be a job? If it is, then the job must be found and under a profit-making capitalistic system jobs cannot be found for the increasing volume of unemployed throughout the country. So much for that aspect of the matter.

Here we have a country rich in natural resources, with tremendous agricultural wealth —a by-word in the mouth of every politician, sometimes even in the mouths of statesmen. We crow about it; we boast about it, and in the past we had very just pride in it. Let us examine this. With an economic system under which we unfortunately have been compelled to function, we find our statistical returns show that in the last ten-year period, prior to 1931—and this does not take into consideration the terrific decline in values since 1931, which decline of course has been tremendous—the private ownership of farms, the sacred god of capitalism, has declined by 28,842 farms.

An hon. MEMBER: What percentage?

Mr. GARLAND (Bow River): I will give this in another way. The percentage of tenant farmers increased by 32·9 and that of part owner and part tenant farmers by 70 per cent. The actual decline in the value of farm property is 20 per cent, or a shrinkage of $1,025,000,000. What security in private ownership is there under such a system as this? No, sir, not even the hard-working man who has devoted his life savings to the acquirement of a home, of his own personal property, is secure under capitalism in the possession of his home, of his property; nor is a farmer today, except it be under the guise of some temporary legal enactments such as debt adjustment boards and moratoriums, guaranteed anything like continuity of ownership in his property, his home or his farm, or even the right to operate. Not only is that the case, but we have a system under which a man has not even the right to work. Will hon. members let that sink into their consciousness, become seized of its meaning? A man is kicked out of a job as soon as his services are not required by the profit-making industry, whatever it may be, and he has no chance to return to it until profit again becomes possible to the industry. Do hon. members think such a system will endure? I ask them to defend it if they can. The census figures to June, 1931, show that the value of lands declined $984,000,000, or an average decline of about $1,495 per farm. What then of the decline that has taken place since then? We find roughly one-third of the holders of farms, 224,000 out of 728,000, reported on their mortgages. What did they report? They reported outstanding mortgages amounting to $677,000,000, or almost $700,000,000. No, this system is definitely done; it is definitely passing to its miserable conclusion.

Of every sincere member we ask but one thing: that he devote himself to a recognition of the different economic forces now at work.

We have plant equipment such as our forefathers never dreamed of; we have resources of great potential value; we have tremendous artificial power resources without which, of course, the machines would be largely useless. I have not time to give all the illustrations of the scientific attainments of the Canadian people. What we have to do is to make these available to humanity. I am sorry my permitted time has passed.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, I have only one comment to make on the speech delivered by the hon. member for Bow River. My colleague, the hon. member for West York (Mr. Lawson), on hearing the statements made in reference to the police court of Toronto, than which there is none fairer anywhere, asked the hon. member for Bow River to give the dates of the cases to which he made reference. That the hon. member has refused to do.

Mr. GARLAND (Bow River): I shall do so.

Some hon. MEMBERS: Sit down.

Mr. MacNICOL: If the hon. member will give the dates now, I shall resume my seat and allow him to do so.

Mr. GARLAND (Bow River): Just as soon as I can get my files, I can give the hon. member the dates and the name of the magistrate.

Mr. MacNICOL: While the resolution before the house in my opinion in its tenets savours of socialism, and while outside of this house the utterances of the mover of the resolution (Mr. Woodsworth) on the public platforms throughout the country savour of communism, I do not for one moment intimate or suggest that the supporters of this resolution are either socialists or communists. Further, if the resolution had been moved by a socialist, I am not one of those who think that on some occasions somewhere socialists have not advocated perhaps worthy objects. But the resolution itself conforms to the statements made by the mover of the resolution on many platforms throughout Canada during recess of parliament, and as I am opposed as strongly as I can be to the resolution, I propose, in my argument against it, to quote some of the statements made by the mover of the resolution during the course of his speeches. The resolution states:

> That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth.

The expression "cooperative commonwealth" is not by any means modern. It has been used by socialists from the time of Karl Marx in 1847. Mr. Philip Snowden, now Viscount Snowden, many years ago in his book on socialism said this, on page 139:

> Socialists, as we have seen, look to the attainment of the cooperative commonwealth—

On the same page he quotes the then Mr. Arthur Balfour, later Prime Minister of England, as giving a definition of socialism which I should like to place on Hansard. Mr. Arthur Balfour, speaking at Birmingham, on November 14, 1907, is quoted as saying:

> Socialism has one meaning only. Socialism means, and can mean nothing else, than that the community or the state is to take all the means of production into its own hands, that private enterprise and private property are to come to an end, and all that private enterprise and private property carry with them. That is socialism, and nothing else is socialism.

I propose to place before the house some of the statements made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) during his campaign across the country. Speaking in the riding of the hon. member for West York, the hon. member for Winnipeg North Centre is quoted by the Toronto Star of December 9, as stating:

> J. S. Woodsworth, M.P., stated that the Cooperative Commonwealth Federation was an organization "that has frankly a socialistic basis."

Immediately thereafter, as no doubt the honest, intelligent workmen of West York in the town of Long Branch,—and they are intelligent and honest and they are neither socialists nor communists—gasped at the expression "socialism," the hon. member proceeded to say:

> "We don't want to smash things," he declared. "All we want is to take control from the hands of the few for the benefit of the many."

That is another stock socialistic expression that you read in all the books on socialism of the last sixty or seventy years. At London on December 12, the Border Cities Star quotes the hon. gentleman as saying in his advocacy of a new social order:

> "Will you choose the orderly way or a vast and violent upheaval as they had in Russia?" he asked. "If those who are now in the enjoyment of special privileges"—

That is another stock socialistic expression you read in all books on socialism—

> "—decide that they will not do what is proposed, it will be a great deal the worse for them, for the change must come."

That is, the new proposed order, which in my humble opinion is founded on socialistic tenets, must come. In other words, if we do not accept this proposed new propaganda in

an orderly way, then we shall have it jammed down our throats by a violent upheaval. Further, in London, the hon. member made this statement:

> The time has come for people to think these things through. We have got to band ourselves together to bring these changes about. We will have to make the effort. Some people in London have asked me since my speech this afternoon if it shall not be necessary to have a great climax as they did in Russia.

That is, a vast and violent upheaval in which several million people were killed.

What is our major business today? The major business of this house is to do something to encourage the investment of capital in factories, buildings and land. I know my hon. friend said a moment ago, as was also said yesterday, that we have too many factories at the present time. There is nothing new in that idea. I quote from the report of the United States Commissioner of Labour for the year 1886, or forty-seven years ago when they had exactly the same conditions:

> The nations of the world have overstocked themselves with machinery and manufacturing plants far in excess of the wants of production. This full supply of economic tools to meet the wants of nearly all branches of commerce and industry is the most important factor in the present industrial depression.

There is nothing new in it. The world got out of that depression in 1886 and by encouraging capital instead of decrying it and doing everything possible to hurt it, the world will get out of this depression too. The hon. gentleman in concluding his remarks at London, after making a very slashing attack on the bankers of Montreal, made this statement:

> "People shout at us that this is socialism, bolshevism," he declared. "Maybe it is. What of it? Who runs this country, anyway?"

I should like for a moment or two to deal with the question of socialism and communism. Many people do not care to read socialistic books, and out in the country socialism is generally taboo. I have carefully studied the works of Karl Marx and of his two associates Friederich Engels and Ferdinand Lassalle. Boiled down, their principles are three. First, surplus value; second, the economic interpretation of history; third, class warfare. I think I can associate all of these principles with this resolution. What is surplus value? In Marx's own interpretation it is the difference between the cost of producing an article and the sale price of it. And he goes further and says that the plant in which the article is produced, the capital to operate the plant, and all associated with the implements of production are the surplus values of past years and belong to the commonwealth. It is on that basis that in Russia today we have the community plants, which as you know are very, very large. Well, that kind of doctrine will not go in this country, nor anything like it.

Then the economic interpretation of history; Marx says that away back in the tribal days all land, and all that was produced on the land under control of the tribe, belonged to the tribe. That is the basis of the collectivization in Russia, state farms. This country will never tolerate any such condition as that.

Then the whole idea of class warfare is this, that capital and labour are antagonistic, that their interests are directly opposed. I do not believe that. On the other hand I do not think that in the past labour has always had a fair return for its efforts. But I do believe that the consideration given labour during the last fifty years has advanced, and I believe further that as time goes on the relationship will perhaps be much fairer than it is today. But class warfare will not help.

I ask, Mr. Speaker, if all this talk about the breakdown of capitalism encourages the investment of capital and provides employment? It does not. It freezes capital, it induces capital to go elsewhere, where there is safety. It causes unemployment. During the last two months statements have been made on the public platforms throughout this country, irresponsible statements, that have had a material effect in increasing unemployment in this country. Far be it from me to try to connect up the sponsors of this resolution, or the speeches delivered throughout this country recently, with the third internationale in Moscow, because the mover said yesterday that they were not in any way connected with Moscow, and I accept his statement. But I am going to quote some statements, and leave it to the members of this house to decide whether this movement is or is not in any way associated with or like what is advocated in Russia. Before doing so, let me say that I am one of those who hope that some good will come in Russia. I sincerely hope that the condition of the Russian peasants will improve. I do not like to hear of any country retrogressing instead of going forward and I sincerely hope that the Russians will prosper.

In the trial in Toronto known as the King vs. Timothy Buck and others, a great deal of evidence was adduced and enrolled on the records of the court. According to this evidence it appeared that the communist

party of Canada was a section of the communist international and that from the year 1924 onward the theses and statutes of this organization became binding upon the communist party of Canada.

I wish to place on Hansard two or three of the statutes of the communist international whose headquarters are at Moscow:

The communist international makes its aims to put up an armed struggle for the overthrow of the international bourgeoisie and to create an international Soviet republic as a transition stage to the complete abolition of the state. The communist international considers the dictatorship of the proletariat as the only means for the liberation of humanity from the horrors of capitalism.

This is one of the stock socialistic phrases. I quoted a few moments ago statements in which the expression "violent upheaval" was used. Let me now quote the following:

Only a violent defeat of the bourgeoisie, the confiscation of its property, the annihilation of the entire bourgeois governmental apparatus, parliamentary, judicial, military, bureaucratic, administrative, municipal, etc., even the individual exile or internment of the most stubborn, and dangerous exploiters, the establishment of a strict control over them for the repression of all inevitable attempts at resistance and restoration of capitalist slavery, only such measures will be able to guarantee the complete submission of the whole class of exploiters.

How often have we not heard that expression, "class of exploiters." Those who do their very best to keep the wheels of industry running, those who invest their money in plants and industry, are called exploiters by those who do not invest any money in industry or give employment to anyone. Now I wish those who represent agricultural districts to take particular notice of the next quotation I am going to give. I frequently go out into the country—it is not necessary to mention the riding—in Grey county, inhabited by the sons and grandsons of those sturdy pioneers who hewed that country out of the forest and who have farms of one hundred, two hundred, three hundred acres and more. I would ask those who represent agricultural districts throughout the country to listen to this:

The landed peasants or farmers are capitalists in agriculture, usually managing their lands with several hired labourers. . . . This is the most numerous element of the bourgeois class and the decided enemy of the revolutionary proletariat. After the victory of the proletariat in the towns this class will inevitably oppose it by all means from sabotage to open armed counter-revolutionary resistance. The revolutionary proletariat must therefore immediately begin to prepare the necessary force for the disarmament of every single man of this class, and, together with the overthrow of the capitalists in industry, the proletariat must deal a relentless, crushing blow to this class. To that end it must arm the rural proletariat.

Speaking in London, the mover of this resolution, referring to the question of farmers, is quoted in the Border Cities Star as having said—

Mr. WOODSWORTH: I am sure the hon. member is trying to be fair. May I say that I made no reference whatever to the resolutions that have been just read.

Mr. MacNICOL: In the Border Cities Star, of December 12, the hon. member is quoted as having made in London the statement which I am about to read. If he says it is not correct, I shall be more than pleased to withdraw it, for, as he says, I always try to be fair to everyone.

Mr. WOODSWORTH: What I have said is that I made no reference whatever to the theses of the international which the hon. gentleman has just been reading.

Mr. MacNICOL: I did not suggest anything of the sort. I never associated the hon. gentleman's name with the third international or with the international communist organization. What the hon. gentleman is quoted as having said is this:

If a violent upheaval were to come here it would be hard on all except perhaps the small farmer off in the hills, who would be able to live by himself.

In other words, all the rest of them had better look out.

If it is possible for us to avoid that sort of thing we should do it.

I know that he would not for a moment advocate bloodshed or anything of that nature.

Many people who are at the head of things here are trembling in their boots. If anyone were to make a push against the government, it would go over like a house of cards.

Well, Mr. Speaker, I have a very strong opinion of the present government and I do not for one moment think that anything of this kind can upset it.

The hon. member for Bow River (Mr. Garland), in his concluding remarks a few minutes ago, made some allusion, if I understood him correctly, to the fact that someone had not been rightly treated in our courts. Well, in this country under a capitalistic system we at least have courts and they are conducted by competent judges, so that every man and woman gets fair play in any court in the land. That, however, is not the state of affairs in that country which is held up as the example par excellence of a cooperative

commonwealth. Let me quote from the Toronto Star of June 20 a dispatch from Berlin:

G.P.U'S Machine Guns Mow Down
370 Men and Children
Villagers charged with refusing to sell grain to state
Survivors' tales

The slaughter of 370 Russian men, women and children by G.P.U. (secret police) officers in the village of Turbachoff, near Kiev, was reported in a despatch from Warsaw to the newspaper Lokalanzeiger today. . . . The residents were charged by the G.P.U. with conspiracy to refuse to sell their grain to the state and resisting Soviet grain collectors.

A few days ago we all read that some 45,000 kulaks or farmers in southern Russia were dispossessed of their land and marched off to the frozen territories in the north of that country. Would the proposer of this resolution have a state of affairs in this country, in which people can be machine-gunned in this fashion, or would he rather have the capitalistic system as it prevails in Canada? I know what the people of Canada would choose. Hon. gentlemen are merely deluding themselves, therefore, when they imagine that they have made any impression on the audiences to whom they have addressed their views throughout this country. There is an old saying that people out of curiosity will go to see anything once. The hon. gentleman and his lieutenants have had a great deal of publicity during the last few years, and out of natural curiosity people have crowded to hear them, but those people were not socialists or communists.

It has been said that the capitalistic system is the cause of our present condition, but I do not believe for one moment that that is so. The Napoleonic wars caused a depression in the 1830's which continued until the 1840's. That depression was just as severe as the present one although perhaps it was not quite as hard upon the people because at that time the majority lived in rural communities while the minority resided in the cities, the reverse of the situation today. The wars in America and Europe in the 60's and in Europe in the early 70's were directly responsible for the depression which lasted from 1873 to 1879.

The great war is largely responsible for the present depression, and in this connection I shall refer to one or two instances which I believe supplemented it. Technocracy has been mentioned, it has been said that the machine has displaced man. The governments in all countries encouraged the scientists, the physicists, the chemists and the engineers to go the limit in increasing production because destruction had been so great as to make it impossible to produce sufficient for the people to carry on. After the great war had ended our system was left loaded up with a machine far beyond its necessity, but the economic and capitalistic system had nothing to do with that.

Following in the wake of the great war we had a period of high pressure salesmanship when people were loaded up with commodities which they did not require and for which they could not pay; the people mortgaged their financial stability for some time to come. Then we had the experience of the stock-market. I have before me a report issued in 1932 by the United States Senate in connection with the exploitation of the public through the stockmarket. Without dealing with this matter at any length, I have in mind one case where a stock was forced up by dishonest methods from a valuation of $105,000,000 to $1,400,000,000, and then, by equally despicable methods, forced down to $170,000,000. Our economic system had nothing to do with that. Such matters can be regulated and righted and should be righted.

I invite the hon. member and those associated with him to desist from the campaign now being carried on. This is only interfering with the investment of capital and the reducing of unemployment throughout the country. There are many other things which would help this country and to which they could devote their time. The regulation of stockmarkets is one and the advocacy of the abolition of war is another. If war were abolished I believe it would do more than anything else to make depressions impossible in the future. I invite the hon. member and those who are associated with him to co-operate with all of us in the house, who I am sure are in earnest in their efforts to see that this country should get on with its business, to see that the great era of unemployment through which we are passing shall be relieved. If we could all work together and forget parties for a while, much could be accomplished. This is not the time for the bitterness of party strife. Canada is not alone in facing this condition, the whole world is suffering, and I for one believe that we should forget partyism and should all unite to try to put Canada back upon her feet. We should try to do everything we can to provide employment for those who are out of work and to relieve the conditions now being faced by our country. Instead of carrying on as they have carried on during the last few months, instead of holding up

the financial institutions and everything else to attack, hon. members should cooperate. If that were done I feel sure that it would be better for Canada and that we would soon be back upon our feet.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, whether or not we agree with the resolution now before us or with the views of those who have supported it, I think we all owe a debt of gratitude to the hon. member for Winnipeg North Centre (Mr. Woodsworth) for having brought this subject before the house. Before the affairs of Canada and the world are finally settled there will have to be much thinking and even some talking; and the more we think these matters over, the more we revolve and study them outside of the ordinary lines of party, the better for all concerned. Whether we agree or disagree with the resolution, I think we should give attention to these matters.

If this resolution is brought to a vote I will vote against it, for reasons which I shall presently give to the house. Nevertheless, I thank the hon. member for having brought forward this resolution, and I feel free to express my acquiescence in some of the views which have been presented, especially by the hon. member for North Winnipeg (Mr. Heaps). Without diminishing the merits rightfully belonging to the other speeches, I think he has perhaps remained the closest to the gist of the resolution and presented the soundest views in support thereof. It seemed to me that he gave the most faithful paraphrasing of the recent encyclical of Pope Pius XI.

Last Saturday I happened to be in New York where I met an Irish Catholic who is very enthusiastic about social work. For the last four or five months he has been endeavouring to foster organizations among the Roman Catholics of the United States to uphold and expand the principles of social justice as expressed by the Pope. He told me of a curious incident of that campaign. He said to his great surprise he had found very little preparedness among his fellow Roman Catholic citizens, and that the greatest success which he had had so far in the city of New York was at a gathering largely, if not exclusively, composed of Jews. This has convinced me once more of the soundess of St. Paul's prophecy, that when the Jews come into the fold they will make the best Catholics. In saying this, I am referring only to social matters.

This resolution has two aspects, one, political or constitutional, and the other, and perhaps broader, social or economic. At the outset of the remarks of the hon. member for Winnipeg North Centre, the Prime Minister (Mr. Bennett) quite properly raised a constitutional objection. I do not think that this aspect has been sufficiently considered, and, therefore, I propose to deal with this phase. On the other hand, may I suggest to the Prime Minister and to hon. members of the house who are always ready to raise constitutional objections to any measure of social or economic reform, that they are thereby suggesting objections to the constitution itself. Of course, if we take the resolution as suggesting that the present constitution of Canada should be discarded in order to establish, in place of our confederation, what is called a cooperative commonwealth—and I must say I do not yet quite understand what that expression means—the constitutional objection is properly raised. Curiously enough, this is not the first, nor the tenth nor the twentieth time, that, in an experience running now for forty years of political life, I have been struck with that dual tendency so un-British among our English speaking fellow members: some always suggesting that a law must be superseded, wiped out and something entirely new put in its place; and others sticking to the letter of the law to oppose everything new. This is essentially un-British. What has made in Canada as in other British possessions the enduring success of British institutions? It is that by instinct and by practice, British legislators make as few laws as they can. They make them when new needs have imposed themselves, not all of a sudden, not in the midst of a passing crisis, but over a long period; or they make laws to give statutory form to a practice already long established. Probably the difference in temperament and practice as between Canada and Great Britain has arisen from the fact that we have a written constitution, whilst in England they have not. But it should not be forgotten that our so-called constitution is not in the broad sense of the word, a constitution. I have always maintained and I still hold that the broad lines of our constitution and its fundamental basis are the unwritten constitution of the British world, operated from year to year, from century to century, carried the world over by people of British origin and operated in partnership with them by what I might call new associates of the British people such as the Hindus and the Mahommedans in India, the French Canadians in Canada, the Dutch in South Africa, and so forth. Curiously enough, the point has come where some of those Britishers of foreign origin seem to have preserved a better understanding of British

institutions than have many Britishers by birth, race and origin. I claim that the object of the framers of our constitution was merely to apportion and distribute the legislative and administrative powers between the central government and the various provincial governments. It is what I might call a code of legislative and administrative functions. Within the four corners of that constitution, what prevents the federal parliament in its sphere, the various provincial legislatures in theirs, and even our municipal governments in theirs, in developing the practice of cooperation in political, economic and social matters?

This brings me to the broader aspects of the question as presented to us. If the mover of the resolution had framed it in other words; if he had suggested that the efforts of public bodies as well as of individuals and of classes, if you like, should tend towards closer cooperation between the various public bodies, classes and interests, and that such cooperation would offer us a better solution to our problems than the existing chaotic and archaic system of unbridled capitalism, I would fully agree with him; and he would find in the old province of Quebec, considered, rightly perhaps in certain respects, the most conservative and traditional province in Canada, much support for that idea. But the moment he or anybody else suggests any radical change in the frame of our constitutional act, immediately this raises other problems disconnected, if you like, from the economic problem; but nobody can expect any class of people in this country to set their brains into compartments. It is all very well to talk of the present evils—and I am absolutely in accord with my friends to the left that the picture they have given of those evils is not exaggerated. I am also in accord with them that the present political and economic system has proved a failure to correct those evils, and therefore that we must look for some remedy. On the other hand, they cannot expect us, in looking at those matters and thinking of those possible remedies, to forget other things which are as dear to us as the possession and retention of wealth, as the settlement of economic problems, and that is the preservation of those objects for which we have struggled for years and years and even centuries: the preservation of our civil liberty, of our municipal laws, of our civil laws, of our religion, of our French culture. These worthy objects are not only legitimate objects of care for the French Canadians. I claim as a Canadian, without any racial qualification or without any limitation of race, that the preservation of the racial and cultural characteristics of the province of Quebec is a necessity for the preservation of a Canadian nationality. They are the only real, standing and permanent obstacles to the mental, economic and social absorption of Canada by the United States. It is not by armed force, by differences in law, that you will preserve a Canadian nationality not inimical to but different from the United States civilization. Although of course there are several factors governing that preservation, I claim that the most permanent, enduring and characteristic, the one which goes deeper into the minds and hearts of a large proportion of the people of this country and which at the same time strikes the foreigner as characteristic of Canada, is the dualism of this country. By that I do not mean that the other elements do not count; on the contrary, I cherish the hope that those various elements will preserve their own culture, their own characteristics. But I claim that thanks to history, which we have not made, thanks, if you like the language better, to the will of Providence, for three centuries there has developed on the northern part of this continent a civilization which draws its best characteristics from the two great English and French civilizations. Those things, to me, are and they ought to be to every Canadian, just as dear as the reestablishment of social and economic order. Therefore, as my hon. friends will see, the constitutional aspect should be considered at once from a more particular angle, and also a broader viewpoint than either, if I might say so, their viewpoint when they think only of the obstacles before them in their struggle for better social life, or that of their opponents, who make use of the constitution as an obstacle against sorely needed reforms.

Mr. BENNETT: May I interrupt? The resolution asks, not for cooperation, but for the setting up of a cooperative commonwealth.

Mr. BOURASSA: Quite so. That is exactly what I said, and that is my main reason for voting against it. But at the same time the resolution does contain the suggestion of cooperation, and I think this is the proper time to ask ourselves this question: whether under the present regime—the capitalistic regime, so called, though I do not like that expression—it is possible to continue and enjoy individual liberty? And this further question: Can we, with the legal and administrative machinery, federal and provincial, that is now in our hands, cure the present evils and do something to guard against their recurrence? I claim not, sir.

Let us take first the question of private ownership. It is all very well to set up a bogy, the bogy of communism, the hidden hand of Moscow. I have read a good deal about Russian affairs, as the hon. gentleman who has just preceded me has done, and I congratulate him upon most of his reading; but I do not know what is actually going on in Russia and to what extent their system is good or bad. I am not prepared to assert or deny that some good will or will not arise out of it. I still belong to the old catholic school and believe that there is no absolute evil on earth, that there is only one absolute good, and that is God Almighty. Outside of that, everything human is a composition of good and evil; and very often out of evil good has arisen and salvation has come to the world. Take, for instance, the French revolution. It was certainly detestable in its principles. It committed crimes and brought human misery just as much in proportion to population as has the Russian revolution. Nevertheless even the most Conservative countries in the world, today, have to trace back some of their most cherished institutions to the destructions wrought by the French revolution.

But I am not talking about Russia; I am talking about Canada. What is the situation with regard to economic affairs? Is it true that the struggle is between individual liberty, on the one hand, and socialism on the other? It may come to that, but I claim, sir, that under the present system, individual liberty and individual enterprise in trade and industry and all forms of social life are threatened and crushed by the present economic system as it now works. The hon. member for North Winnipeg, very rightly put the question to us yesterday. "What remains of initiative to the labourer?" Is it not true that under the present system man has become enslaved, in a different form, if you like, but just as effectively as he was under the iron heel of the Romans? Not only is the labourer losing the liberty of exercising individual intelligence in his work by reason of being tied down to a certain part of a machine and knowing nothing of the rest, but take the case of the farmers also. Reference has been made to them by the hon. member for Bow River (Mr. Garland). Take my own province of Quebec, for example, perhaps the most conservative province of Canada, and where today there are hundreds, thousands of good farmers who are on the verge of expropriation, who are left with one hundred acres of land under their feet simply because the creditor is afraid of taking over the farm for his mortgage or because the municipality is afraid of selling all the farms that are in arrears for taxes.

In the city of Montreal we have a very interesting class of labourers, past labourers, if you like. Advanced socialists and communists of the type which has been described this afternoon might call them capitalists. Some of those men worked steadily for thirty or forty years as tramway employees, railway employees, and in spite of their small wages saved a certain sum of money year by year—others were carpenters, plasterers and so forth. They put some little money aside, and when they came to the age of about fifty, purchased a building lot and erected upon it a three-flat building. They put into that building all their spare capital, $5,000 let us say, and then borrowed from the insurance or lending companies, who were running after just such investments four or five years ago, let us say $10,000. Then with their own hands they put up that building, expecting that when they reached the age of sixty they would have a property worth about $20,000. They lived in one of the flats themselves, and from the other two derived revenue sufficient to keep them. Thousands of these buildings exist in Montreal. Thousands of these small capitalists have lived happily in that way for years and years. But their lodgments now are empty or are occupied by lodgers whom the owner keeps there simply in order to heat the lodging, and who pay no rent. The owners in the meantime are called upon to pay more taxation, and of course to pay interest on their mortgages, and are refused mortgage renewals by the lending companies. Consequently they have gone in a delegation to the municipal authorities and to the provincial government, asking for what? Asking to be put on the list as paupers, and some of them are actually receiving relief funds from the St. Vincent de Paul Society and other charitable institutions. Does not that justify what was said by one or two speakers yesterday, that under the present system of capitalism individual property is being expropriated?

Now is that the fault of the system? Not altogether. I agree with the hon. gentleman who has just taken his seat (Mr. MacNicol) that the war is largely responsible for it. I am glad at last to receive testimony from various quarters that I was right in the opposition which I carried on, nearly alone, during all the war, against the crime we were then committing against future generations in this country by bleeding our country to death, by piling up billions and billions of dollars of debt. We were not only participat-

ing in a crime against civilization in our own day, but we were transmitting to generations to come the consequences and punishment of that crime. But let that pass. The war is undoubtedly responsible for a good deal of what we are suffering from today. But is it not true that the advantage that was taken of the war, not by all capitalists, but by the greedy exploiters of capitalism, has doubled and trebled, perhaps multiplied tenfold, our suffering?

What do we consider capitalism to mean? If by capitalism we mean an association of five or ten individuals who pool their money to carry on a legitimate enterprise, and who by reason of the risks of that enterprise reap any benefits therefrom, then within certain limits which the state ought to fix I admit that that sort of capitalism is useful and legitimate. But when you have eight or ten financial brigands who meet together, and instead of subscribing their own money, let us say to the extent of $1,000,000, to put on a legitimate enterprise, issue paper for $10,000,000 and get gullible subscribers to take that paper for good money, and load upon the consuming public the charge not only of paying a return upon the $1,000,000 that was legitimately required, but upon the $9,000,000 stolen from the public and pocketed by those brigands, do you call that private initiative? Do you think it is proper that under the laws of this country, whether federal or provincial, such things should go on?

I was talking recently to one of the most important business men of Montreal. I asked him "Could you point out any large enterprise in Canada that in one way or another is not built upon fraud? Fraudulent processes or watered stock?" He is a very cool-headed fellow, connected with one of the largest banks in Montreal. He thought a minute, and said, "There may be, but I know none." Now those institutions and corporations exist by the will or permission of the state. They function under our legal system, whether provincial or federal does not matter. I will give two or three examples. One very important for the province of Quebec is the lumber industry. Of course it is badly hit by the general conditions of the market, but it is ten times worse on account of the brigandage of a handful of the most unscrupulous financiers of Canada. They took eight or ten lumber concerns, honestly capitalized, honestly administered, doing an honest business, and drew them into their pool, covered the whole thing with a fake capital amounting to millions, and now they are in bankruptcy. Yes, in bankruptcy to the public, but these financiers have pocketed the proceeds of their brigandage.

Another example is the operations of the Sun Life Assurance Company. There has been a sensational trial in Montreal, of a man, who, I think, wrote foolish articles, not that what he wrote was untrue, but he wrote in a very foolish tone. But the manner in which that trial was conducted is a striking picture of the spirit that prevails. He engaged good lawyers to defend his case; those lawyers were made to understand that if they took up his case they were done for as far as the favour of the Quebec government is concerned, the head of which is a director in the concern. They quitted the case. The case was shifted from one court to another until it reached a judge—I do not want to be disparaging, I think he is a very nice man, but nevertheless before he became a judge he had all his life long been a corporation lawyer, connected with the organization of some of the most shameless enterprises of this country. Before I knew anything about these accusations I knew a little about insurance affairs. I studied the report of the Sun Life Assurance Company three or four years ago at the time they came here with their bill, which was thrown out, thanks to the effective resistance of Hon. Mr. Robb and of Mr. G. D. Finlayson, the permanent head of the Department of Insurance, a very able and efficient and honest man. Nevertheless, on a report which on its face showed a diminution of $6,000,000 in their assets, they increased the dividends to their shareholders from fifty per cent to seventy-five per cent in one year, with the result that the shares, originally $100, were quoted at some $3,000 to $4,000.

I need not dwell upon those examples. I will finish with two connected with public services solely. I think it will not be said that the transportation of workers between their homes and their work, that the supply of electric light and gas for home and industrial use, ought to be left entirely to private enterprise with entire disregard for the public. Well, what has it come to in the city of Montreal, the metropolis of Canada? The tram service, the electricity service, the gas service, are in the hands of one single concern, or rather of a few men who control not only those public services, but indirectly that enormous lumber monopoly which is now in bankruptcy, the Sun Life Assurance Company and the Royal Bank, and of course the Montreal Trust Company —because each respectable bank must have a trust company to carry on with the money

of the depositors operations which the Bank Act forbids to the bank. You have there this greatest financial-industrial monopoly, controlling the city of Montreal. Do you want to see what it means? There are two parts of the island of Montreal that have not yet been absorbed, the town of Outremont, in which I live, and the town of Westmount. The people of Westmount are fairly enterprising; they considered they were being squeezed by the Montreal Light, Heat and Power Company, so they organized a plant of their own, with the result that the price of electricity went down at once fifty per cent. And we have this spectacle in the city of Montreal: on one side of Atwater Avenue the poorer individuals pay four cents while on the other side the rich people of Westmount pay two cents. Is this social justice or economic equilibrium? Do you think the people will stand it very long and be satisfied with this "upholding of the constitution?" No! I give this warning to true Conservatives—I use the term in the large sense, there are Conservatives on this side and Conservatives on that side, just as there are socialists on either side. I repeat, I am not afraid of the word "socialism." It always amuses me when I hear cries of horror on both sides of the house the moment socialism is mentioned. Forty years ago Sir William Vernon Harcourt, a Liberal, it is true, but surely not a revolutionist, was taunted with the accusation of socialism. He said, "What does it mean? Everyone is more or less socialist, after all." Think of the advance since then, not towards Marxian socialism, but towards the adaptation of some of the essential principles of socialism to modern life; far more advance in conservative England than in so-called progressive Canada. Corporations have far more power over the public in Canada than in England. Conservative governments in England have taken much more effective means of curbing the powers of large corporations than we have in Canada, under either the Liberal or the Conservative regime. But attention is being drawn and focussed upon this situation. I give this warning to true Conservatives: Do not raise the bogy of bolshevism all the time. Do you know what people, even good farmers, are beginning to say in the province of Quebec? "Well, after all, bolshevism is in Russia; it is far away, but we know what we are suffering from and we are not going to be satisfied with denunciations of bolshevism all the time. What we want is some alleviation of our own evil." That is what the people expect from us. Let hon. gentlemen remember the results of the anti-German propaganda during the war, when people were made to believe that the Germans were cutting off the ears and arms of all the children in the towns of Belgium, and that they were using human grease for their cartridges. There are still a few Chinese who do believe that sort of thing, and still a few Canadians who believe that the Germans were cutting off the ears and arms of children in Belgium; but all informed and intelligent people know better than that. Today you could not possibly make people believe all the lies that were accepted as gospel truth during the war.

I do not believe in attempting to remedy any situation or in trying to accomplish anything by lies or by giving what we call in French the tangente, by throwing sidelines on foreign situations in order to make the people forget their own situation. I claim that the principle of cooperation is bound to increase, is bound to take the place of the old practice of individual enterprise which has been crushed by corporate capitalism; and I believe that if we want to prevent the evils of bolshevism, if we want really to prevent Canadians of all classes and in all our provinces from developing instincts of revolution, we must do something else than we have done in the last five, ten or twenty years. We must combine the true and eternal principles of social conservation with true measures of social progress and reform, and I claim that this can be done only by means of cooperation, not necessarily the enactment of a cooperative constitution but the recognition that no class can save the country, no class can save the world. No system can save the world, but all classes, looking primarily to their own interests if you like—because we must take human nature as it is—and all parties, looking to their own traditions and prejudices and shibboleths, should at least broaden their minds and stiffen their wills to establish some sort of cooperation between parties, between classes, and in a country like ours between provinces and races, if we are to pull the country out of the present quagmire.

May I close these remarks with a quotation? I am not strong on quotations but I must say that I was struck by a sensible observation of an author who I suppose is an economist. I may say by way of parenthesis that I largely share the views of the Prime Minister when he says that economists very often have not many practical remedies to offer. They always remind me of a lesson in medicine given by Moliere in Le Malade Imaginaire: "primo seignare, ensuita purgare....and you

swear not to cure or to kill your patient otherwise than according to the rules of the faculty."

This book I read with interest because it is unpretentious; because, as the author says, his object is not to teach extraordinary things but to try to bring the minds of most people to the consideration of ordinary truths. Now, mind you, he declares himself, and he proves it, quite antagonistic to communism or even socialism if you take holus bolus the doctrine of socialism as propounded by Marx and others and put into practice more or less in Russia. He is not foolish enough however to imagine that all that has been preached and practised by socialists is all wrong. Therefore he gives a warning at the end of his book which I commend to people of ordinary minds like myself, people who will find comfort in it because it is understandable. The book is The World Economic Crisis 1929-31, by Paul Einzig. The author speaks particularly of the struggle, perhaps much more menacing than some people imagine, between antagonistic schools and interests as represented on the one hand by Soviet Russia and on the other, broadly speaking, by western Europe and America. He says:

> Should the Soviet Union pursue an aggressive and destructive policy, the rest of the world may be compelled into a defensive alliance which would have to make use of the weapon of economic boycott.

This government tried it tentatively in a very limited way.

> It is possible, however, that the Soviet authorities realize that there is no hope for stirring up a world revolution by means of ruining the industries of capitalist countries through cut-throat competition. In that case, they focus all their energies upon trying to accentuate their economic progress instead of trying to destroy that of other countries. Our task will then be to do our utmost to maintain and even increase our economic superiority over the new system.
>
> To that end it is essential that we should establish cooperation in all its possible forms. We cannot afford any longer to suffer periodical setbacks caused by crises. . . . The rival economic interests which are reluctant to curtail their freedom of action for the sake of cooperation, should be made aware that their very existence is at stake. Nothing but the closest relations betwen them, coupled with the cooperation of political powers to maintain internal and international peace, can maintain the superiority of our economic system which is the raison d'être of our social and political system. In order to accelerate our progress and to prevent setbacks, individuals, groups, and classes will have to consent to sacrifices which will be, however, rewarded in the long run by the results obtained. If we combine judiciously the advantages of cooperation with those of individual initiative, there is no reason to fear that a system where individual initiative is eliminated can ever win the victory over us.

[Mr. Bourassa.]

Therefore, in the name of all that is true and legitimate in private initiative and private property, which is now being expropriated in Canada as fast as in Russia; in the name of all that is best in our past traditions, Canadian, French or British, I seriously call upon the members of the various parties and groups of this house to forget for a moment their party differences and to do all they can, not to counteract every new idea that is presented as being a form of bolshevism, but to listen attentively and sympathetically to every suggestion which is made, prepared to reject what we think is wrong and to accept what is right. Do not let us endeavour to crush the growing feelings and aspirations of a suffering people by telling them that what was good enough for our fathers is good enough for us. Do not let us tell them that this is a passing crisis and that things will adjust themselves. They will not, and we know it. It is all very well to preach optimism if by optimism you mean that we must foster the feelings of hope in a better future. But if by optimism you mean that we must go on deceiving the people as to the gravity of the crisis, that we must let the people believe that because of a little change in the tariff, because of little treaties made here and there, matters will adjust themselves—no. It is wrong to deceive the people. We have deceived them too long. I know that in my own little sphere of life hundreds of people are starving today. Why? Because they believed three years ago that if there was a change in government, while they would not be rich, they would be well off. And so they spent their little savings. Others thought that because of a little measure of relief adopted in Ottawa in conjunction with Quebec that all things would come out all right. There is not one specific measure which has been adopted either here, in Quebec, in Toronto or elsewhere which can cure the evil. The best intellects among the capitalists, among the traders, among the farmers and among the labourers must get to work and convince themselves that the main thing is not to turn over the country to the labourer, to the farmer or to the capitalist, but that the one standing law of humanity is that every individual in every class must make his bit of sacrifice in order to save the whole. If we make it better for the whole, then the individuals in all classes will benefit.

Mr. G. C. WILSON (Wentworth): Mr. Speaker, it is several years since I have had the privilege of addressing the House of Commons. Coming here in 1911 I am now classed as the third oldest member on this side of the house, not in age but in service.

I served in the legislature from 1908 to 1911, and the hon. member for Labelle (Mr. Bourassa) will pardon me if I say that if he had worked as hard in Quebec as I did in Ontario from 1908 to 1911 for the introduction of publicly-owned hydro-electric power, they would not be paying such high prices today in Montreal for their power. As I say, I have not cluttered up Hansard with long speeches and I do not know just how long I will be able to continue today because, as many hon. members know, I am speaking against medical advice. Not long ago the Independent Labour party came into the town of Dundas to hold a meeting and the hon. member for East Hamilton (Mr. Mitchell) was introduced with the statement that he had said more in one session of this house than I had in twenty-one years. I do not deny that accusation. I happen to be one of those to whom a banquet was tendered because it was thought I was going to pass out before very long. My leader was kind enough to do the honours, and I think that fact coupled with the fact that I am a Presbyterian and believe in predestination and foreordination, made me not think very much of what the doctors told me. It is due to a kind Providence and the use of sweet cider that I am here today.

Having a Scotch grandmother and an Irish mother I had to learn the twenty-third psalm and the fifty-fourth paraphrase, but my father beat me out because he could recite the hundred and nineteenth psalm without a skip. I could never accomplish that and I suppose the reason was that I did not take enough pease brose for breakfast.

I should like to recall a story concerning Sir John A. Macdonald. He spoke in Hamilton in 1891 during his last campaign. I was at the back of the rink on Jackson street where he spoke when a member of the audience in a whisper just loud enough to carry over the heads of the people said, "Oh, go to hell." Quick as a flash Sir John said, "Ladies and gentlemen, I have been in public life a great many years, I have been invited here and I have been invited there, but this is the first time I ever had a direct invitation to Grit headquarters. I decline with thanks." Personally, I do not feel like accepting the invitation of any party whose ultimate goal is chaos and the disregard of law and order.

In enlarging upon the wonderful strides made by the Cooperative Commonwealth Federation, the hon. member for Southeast Grey (Miss Macphail) said that multitudes are joining the Cooperative Commonwealth Federation and halls will not accommodate the crowds of those eager to enter.

The hon. member for Labelle (Mr. Bourassa) said that he did not like to quote scripture and I am reminded of an occasion where a choir leader was asked to sing the national anthem and he got up and sang "Praise God from Whom All Blessings Flow" before starting with the national anthem. I would refer the hon. member for Southeast Grey to St. Matthew VII, 13-15, which reads:

> Enter ye in at the strait gate: for wide is the gate, and broad is the way, that leadeth to destruction, and many there be which go in thereat:
>
> Because strait is the gate, and narrow is the way, which leadeth unto life, and few there be that find it.
>
> Beware of false prophets, which come to you in sheep's clothing, but inwardly they are ravening wolves.

I, like Sir John A. Macdonald, must graciously but emphatically decline the invitation to join the Cooperative Commonwealth Federation. The hon. member for Winnipeg North Centre (Mr. Woodsworth) may claim that the Prime Minister (Mr. Bennett) is not interpreting scripture as many of the most eminent theologians would do, but it must be remembered that today the churches are allowing their pulpits to be occupied by salad faced college professors and new era economists who, suffering from high blood pressure and brainstorms, exploit new theories instead of preaching the simple gospel of the Nazarene, to which we will have to return if we are to get out of the deplorable position in which we are today. Can the house imagine the pulpit of Calvin being filled by a Woodsworth, the pulpit of Knox by a Bland or that of Luther by a Garland? We must learn to put first things first. I should like to quote from an editorial which appeared in the Globe of December 2, 1932, entitled, "Thirteen Years After" and which reads:

> Still the insistance that there must be a revolution bespeaks little for a gain in wisdom. When revolution is proclaimed as inevitable, even the "mental revolution" of Miss Agnes Macphail, as a beginning, whether there is bloodshed or not depends upon the kind and amount of energy devoted to propaganda, as history has shown.

And then again:

> The Canadian Annual Review of 1919 records that, upon committal for trial of eight strike leaders, "a meeting with indignant speeches followed, addressed by Rev. Dr. Salem Bland and J. S. Woodsworth, who dealt at length with the evil work of those who were trying to 'crush the Russian experiment in democracy.'"

A little further on we read:

> This all happened at a time when labour, so called, was depressed compared with previous months, and when the One Big Union was out

to "subdue the mad dogs of capitalism and open the gates of freedom," when the theory was, as Rev. William Ivens was reported to have told a Winnipeg labour meeting, addressed by himself and Rev. Doctor Bland: "All you have to do is to walk into any industry, tell the owner you are going to take it over, and it is done."

The hon. member for Southeast Grey (Miss Macphail), as reported on page 1694 of Hansard, has this to say:

Had either of the old parties offered solutions, or even attempted to offer solutions, or had the government extended some sympathy to those suffering so greatly, they would have held much of the ground which they so easily won in 1930, and the Liberal party would have gained ground more rapidly than it is now doing. The Liberals, of course, do offer sympathy, if nothing else.

I am very glad to say that the Canadian people cannot be reconciled to continued want and privation, suffering, disease and early death in a land of abundance. They cannot and will not be reconciled to it. If they could they would not be the red-blooded Canadians about whom the Minister of Railways and Canals talks so much. The attempt of the Cooperative Commonwealth Federation is to build a social order or society which will serve mankind, instead of allowing a social organization to continue which makes mankind serve the system.

One would think from a speech that sounds like "holier than thou," the hon. member for Southeast Grey was above all this sort of thing, but as we all know, she has joined the capitalistic class, and I wish to refer to an incident which took place while she was on a speaking tour. This appears in one of the Fergus papers, but I do not wish to quote that part of it. I desire merely to refer to an incident that took place. While certain people can criticize the capitalistic class and find fault with members on this side, I am aware of an incident which occurred when the hon. member addressed the Women's Institute at Rockton in my constituency. What was their surprise when two days afterwards they received a bill from the hon. member for Southeast Grey for $12 for her expenses. This is the patriotic lady who says that we should do this and do that. She has now joined the capitalistic class and become the "Oil Queen of the West." I do not intend to deal with the Fuego Oil Company. It has no connection with or reference to tempus fugit, which in Russian—pardon me, in Latin—means "time flies." Perhaps it would be better for me to quote:

In time the ignorant may become learned, the foolish may be made wise, and the wildest, wanton maiden may be brought to a modest matron.

The hon. member for Southeast Grey has not brought forward any solution of our present problems, other than to say, as reported on page 1694 of Hansard:

The attempt of the Cooperative Commonwealth Federation is to build a social order or society which will serve mankind, instead of allowing a social organization to continue which makes mankind serve the system.

That is a mere platitude, not a plan. I would be daring indeed should I suggest to the lady member a plan that is claimed to be a formula for happiness, but I am not suggesting it impolitely, and I suppose if it appears in the Mail and Empire it must be all right. This paper has an article under the following heading:

Formula for Happiness

I will read a portion of it:

Ten happy couples, living within a short distance of each other in Cape Breton—some of them next-door neighbours—celebrated on Sunday their golden weddings. Judging by the names in the Sydney Post they were all Scots or of Scottish descent. The MacPhees have fifty grandchildren; the MacIsaacs, twelve children, twenty-two grandchildren and three great grandchildren; others somewhat smaller families. Inevitably they were asked the secret of long life and happiness.

An hon. MEMBER: Tell your Prime Minister.

Mr. WILSON: Here are some of the answers:

"We have always had food and love and laughter," said Mrs. MacDonald, "and these are the only real necessities of life. When women today talk about necessities they mean automobiles and telephones, electric lights and permanent waves. I never had any of those things. When I was married women didn't want anything but homes and babies."

An hon. member has said: "Tell your Prime Minister." Well, I can include the leader of the opposition (Mr. Mackenzie King), the leader of the party immediately opposite me and myself, so there might be a race. But I do not think there will be one, because I shall not be a starter, not even an added starter.

The hon. member for Winnipeg North Centre yesterday made reference to my leader in these words:

Does anyone mean to say that the great fortunes in Canada have been built up by what could be termed "honest toil?" Has the Prime Minister's own fortune been gained by honest toil?

Then, after quite a dispute in the house it will be remembered that when the Speaker was about to name the hon. member, the latter started to say:

I withdraw my imputation that the Prime Minister has made his money dishonestly.

Mr. WOODSWORTH: May I point out that I did not say I withdrew "my" imputation. The hon. gentleman is misquoting Hansard.

Mr. WILSON: I beg pardon. I should have said "any imputation."

Mr. WOODSWORTH: I did not mean to impute anything of the kind.

Mr. WILSON: I do not mean to impute to the hon. member anything except what is found in Hansard. I apologize for the error.

Hon. members know the difference between an accident, a coincidence and a habit. An accident is when a man for the first time throws himself out of a third-story window. If he throws himself out a second time, that is a coincidence, and if he throws himself out a third time, that is a habit. I think in this case it has become a habit, and it does not do credit to the hon. member for Winnipeg North Centre.

The hon. member for Southeast Grey thinks she has a remedy, and if I may quote from the Globe, this is it:

> There are the presses, many in need of a run, and no scarcity of paper and ink, with pressmen and printers eager for work. There should be nothing more necessary than to get up steam—

If she had anything to do with the matter, I think they would be run by oil.

> —turn on the juice, or turn the wheels by foot power. Anyway, start the press. The output would "appall" even the workmen. By a little overtime there soon would be so much money that it might be carried away by the armful. It all seems so simple. Let the designers turn out handsome bills. Let them be crisp and crinkly so that there may be melody as they circulate. Money talks now. Make it sing—with Miss Macphail conducting.

That is from the Globe.

Mr. IRVINE: The hon. member is not quoting the hon. member for Southeast Grey.

Mr. WILSON: No.

Mr. IRVINE: That is good enough for the Globe, but it would never do for the hon. member for Southeast Grey.

Mr. WILSON: What solution has the hon. member for Southeast Grey? Nothing but the Cooperative Commonwealth Federation, nothing but coal, cattle, fraud; she asks us to carry out what? The bolshevism of Russia. She suggests inflation and makes political capital out of the worldwide depression. In a period of deep and widespread depression she keeps in line with the leader of the opposition, who raises a constitutional question. Well, constitutional questions will not fill empty stomachs. To the mercantile class he holds out the prospect of greater markets in countries which have closed their doors to us by prohibitory tariffs. In connection with the inflation of currency as proposed by the Woodsworth-Macphail cohorts of the Co-operative Commonwealth Federation I should like to tell the story of Hans.

In 1903 there was a run on the banks in the United States. The banks were short of cash, and a German, fearing for the money he had in one of these banks, went in to see the teller. The teller told him to go to the bank manager. The bank manager met him and said, "It is just like this, Hans. We are short of cash at the present time, but we will give you a certificate showing that you have that amount of money here." "Yes." said Hans, "but I do not quite understand it yet." The bank manager repeated his explanation, and then asked, "Do you understand it now, Hans?" "Oh yes, I quite understand it now." said Hans. You mean that if tonight my baby wakes up and asks for milk I can give him a milk ticket." I say, Mr. Speaker, that if the working men of this country want this kind of inflation or deflation they will find that they will be paid in dollars that are worth not more than forty or fifty cents. When they want milk they will get milk tickets. Is it not true that the remote-control leader of the Ontario Liberals said that he was swinging to the left? After the spectacle of the leader of the opposition in connection with the empire trade pacts it would be quite in order for him, I should think, to embrace the whole Cooperative Commonwealth Federation, including the member for Southeast Grey.

Speaking of the radio problem, I notice that the hon. member for Winnipeg North Centre (Mr. Woodsworth), is much concerned about the freedom of the air. Last night I had a dream, and I heard the following:

> Radio station CCF, receiving message from Russia.
>
> Russia: This is radio station "Moscow" speaking. Hello Canada, this is Russia.
>
> CCF: Hello Russia. This is the Cooperative Commonwealth Federation—Woodsworth speaking.
>
> Russia: Are we free to talk?
>
> CCF: O.K. No need to use the secret code.
>
> Russia: How are you making out with the coal, cattle and oil deal?
>
> CCF: Not so good as last week. Bennett stepped into a weir, and upset our plans.
>
> Russia: Too bad. What does Mackie think?
>
> CCF: He is walking up and down the corridors damning Bennett.
>
> Russia: What does the oil queen of the west say?
>
> CCF: She says, "Just another phase of the question showing the Prime Minister's determination to uphold law and order and his insistance upon Canada meeting all her obligations at home and abroad—mere piffle, but you can't change him."

Russia: Is the Toronto Star still playing its part?

CCF: Oh yes. They sent out this telegram to all their correspondents in Ontario:

Toronto, Ontario.

"Please interview the Conservative member of parliament in your riding on the Soviet trade question determining his views of what the government's action will or should be on guaranteeing bank advances to finance the deal whereby Soviet offers to take $7,000,000 worth of Canadian cattle and hides in barter for oil. Point out that in Britain the government has created a department for the purpose of guaranteeing loans by banks in connection with foreign trade transactions and the Canadian government has guaranteed bank loans in connection with wheat so there would be nothing new in guaranteeing bank loans in connection with a huge deal in cattle. The work of carrying cattle to Russia and bringing oil to Canada would proceed simultaneously and the import would pay for the export. The banks would be paid off and the guarantee effaced. Aluminum people in Montreal who have had big deals with Soviet say they are quite satisfied. They have never lost a cent or had any difficulty getting payment. They regard Soviet as one of most stable governments in Europe. This is strikingly confirmed by speaker in United States congress today urging resumption trade with Russia. After explaining these developments to your M.P. ask him whether this deal promising first opportunity to rehabilitate the primary producer and first spender merits support. Does he favour the government's supporting the deal to extent of guaranteeing up to $4,000,000 pending completion of shipment, especially in view of fact that no organization has lost a cent in trading with Soviet government. Please wire soon as possible."

Some members who were interviewed by the Star did not know what they were doing when they gave their views, but many others absolutely refused to say anything whatever until the question was put before us by the government, and our views never appeared in the Toronto Star. I now continue with the radio conversation:

CCF: I am afraid that that telegram sent out by the Star will not be as effective in the future. Many are sorry now and regret going off at half-cock.

Russia: Are any of them wise to the fact that all is not well in Russia? The great experiment is a failure.

CCF: Cut off. Here comes Rhodes the watchdog of the treasury, and Bennett.

All I can say, Mr. Speaker, is that for those people who are not satisfied with living in Canada, there are other places to which they can go without being deported. This country is good enough for me and I would rather remain under the folds of the union jack than under any other flag. I am not at all concerned about introducing a new flag for Canada. I am quite satisfied with the old one, because we shall never have a flag that carries with it all the prestige of the union jack, under whose folds, no matter where you go, once you become a British subject, you are protected and your rights are respected on every land and sea. So far as I am concerned I hope that I shall always be classed as a red-blooded Canadian.

A great many people think that conditions today are absolutely unlike any we have experienced before. Well, I am not very old, but I have seen prices as low as they are now, although I have not seen the depressed conditions so widespread. But what did the pioneers of this country do when they were faced with conditions much harder than those of today? They tightened up their belts and went out into the woods and cut homes for themselves out of the forest. They used the wood in the box stoves; I have seen that done myself. We had coal oil for lighting, and later gas, and then electricity. The pioneers of this country were men who were proud of the country of their adoption, and I thoroughly believe that Canadians will come through this depression successfully; for on no other country in the world has Providence smiled so beneficently.

My time is nearly up. In closing I should like to quote from a Canadian poet who comes from the county which I have the honour to represent. In The Khan's Canticles, R. K. Kernighan writes:

> Oh, shall we shatter our ancient name,
> And lower our patriot crest:
> And leave a heritage dark with shame,
> To the infant upon the breast?
> Nay, nay—and the answer blent
> With a chorus is southward sent:
> "Ye claim to be free—and so are we;
> Let your fellow freemen alone:
> For a foreigner never shall place his heel,
> On the men of the northern zone."
>
> Shall the mothers that bore us bow the head
> And blush for degenerate sons?
> Are the patriot fires gone out and dead?
> Ho! brothers stand to the guns!
> Let the flag be nailed to the mast,
> Defying the coming blast!
> For Canada's sons are true steel,
> Their metal is muscle and bone,
> The foreigner never shall place his heel,
> On the men of the northern zone.
>
> Oh, we are the men of the northern zone
> Where the maples their branches toss,
> And Great Bear rides in his state alone,
> Afar from the Southern Cross.
> Our people shall aye be free,
> They never will bend the knee,
> For this is the land of the true and leal
> Where freedom is bred in the bone—
> The foreigner never shall place his heel,
> On the men of the northern zone.

An hon. MEMBER: Hear, hear.

Mr. WILSON: Mr. Speaker, I am very glad to hear an hon. member say "Hear, hear."

Now they ask, and it is only a suggestion of a member on this side: How would you go about improving some of the conditions? In the first place I would certainly try to put agriculture on its feet.

Mr. SPENCER: How?

Mr. WILSON: By dealing internally with the troubles we have, that is with the milk problem, the butter problem, the dairy problem, the meat and meat products problem, right at home. I know you are going to say it is a provincial affair. Yes, but we can overcome all this; we have overcome a lot of things since the right hon. Prime Minister came into power, and furthermore, though constitutionally it may be wrong, constitutionally we have done many things that are not exactly according to the law. The carrying out of the empire pact will, I think, lead to great advances, if we carry them out in the spirit and not in the letter of the law as some have argued. We wasted seven weeks here discussing the treaties from the constitutional standpoint, and what the price of barbed wire is going to be, and the price of socks, cream separators, and so forth, we made ourselves the laughing stock of the world, because other parts of the empire had passed the treaties. As far as I am concerned, I hope to remain a Canadian and a British subject.

> To our British institutions and traditions hold we fast,
> Follow close to old Trafalgar, nail the colours to the mast,
> Clinch the ties that bind us to them, give the world no cause to think
> That this Empire's chains might sever at our firm Canadian link.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I have often wondered why we come to parliament. But the hon. member for Toronto Northwest (Mr. MacNicol) has enlightened me. He said the reason that we are here today is to encourage capitalists to invest their capital in factories and plants. I presume all would be well if the capitalists would only do that, but if they do not, evidently he has no other solution for our problem, and we must go on starving.

I was also glad to know of his acquaintance with our old friend, Karl Marx, and that he was able to distinguish at least three basic principles in the Marxian philosophy, namely, surplus value, the class struggle, and the materialist conception of history. But he merely named these; he did not go on to explain them, nor did he refute Marx, although he said that everyone knew that we have not a class struggle. I would like to ask, how does he account for all the struggles and conflicts that have gone on between the various classes all down through history, not only during the capitalist régime, but through feudalism and chattel slavery? In all these the workers had to fight with their masters, and the wage slaves under capitalism have to carry on the same struggle. Every advance they have made has been made through blood and tears.

Does the hon. member deny the fact of surplus value? How does the employer get his profit? Let me explain what surplus value is. Before a worker, a propertyless man who has no other way of getting a living, can get into industry, that is before he can get a job, there is first the understanding that he shall produce for his employer in values more than his employer gives him in value in return for his labour. If he is working eight hours a day, in say three hours he produces his own wages, then for the remaining five hours he is producing values for his employer. That, very briefly, is the surplus value theory of Karl Marx. No person employs a worker except under those conditions. There would be no reason for doing so. The reason employers will not employ workers today is that although they still produce a surplus, that surplus cannot be disposed of.

We are told that conditions today have arisen out of the world war, but we ask: What did the world war rise out of? Was it its own cause? As the hon. member for Labelle (Mr. Bourassa) said in regard to another subject, every intelligent person realizes today that the German kaiser did not cause the war. The cause of the war was the conflict between the various capitalist countries to find markets for this surplus value that they had filched from their wage slaves. Through the development of capitalism and industrialism in every country it had become impossible to find markets for this surplus value that was accruing to the employers internationally. And that is the very reason why today we cannot have international concord or international action on the questions confronting the world.

I was very much impressed with the speech made by the hon. member for Labelle and his impassioned appeal for cooperation between the various classes in the community and the various parties in the country. But it is absolutely impossible to have cooperation between the exploiters and the exploited. There is no cooperation between the wolf and the lamb unless the lamb is inside the wolf. Nor is there cooperation be-

tween the workers in industry and the employer, because of the inherent exploitation that must exist. I am not blaming employers. My friends in the corner here usually blame the banks for the condition that this country is in, the fall in prices and so on. I blame neither the banks nor the employers; they are compelled by the necessities of the situation to eat or be eaten, to exploit or be exploited. The reason we find so many today placing the blame on the banks for the conditions under which we suffer is the lack of understanding of capitalism and how it functions. The banks are not in the banking business for the good of the country, they are in it for the good of the banks; and if the good of the banks and the good of the country are not in accord, then the good of the banks will prevail, until some stronger power than the farmers have at the present time takes a hand in the situation.

There is something very significant in the reception this resolution has received in the house on this occasion. If anything were needed to indicate the serious condition of the country it is found in the attentive hearing that has been given to the speeches on the resolutions. There has been quiet attention on this side and rather boisterous attention from the other side, but nevertheless attention—almost every man in his seat listening to what is said. We did not have that on other occasions when we brought such matters forward. It was driven home to me when the hon. member for Bow River (Mr. Garland) ended his speech with the words that the system as we have it now was finished. That statement met with laughter from the other side, but that laughter was only halfhearted; there was no enthusiasm behind it. It was not the spontaneous outburst you would have got in 1930 if such a statement had been made at that time. The statement, however, is true. It is not a laughing matter and that is why hon. gentlemen opposite did not laugh heartily. They all realize the truth and they express it in conversation outside no matter what they may say in the house.

Another realization is coming and that is that, the system being finished, there are only two alternatives. We shall have to reconstruct the whole system so as to make it work, or else we shall have to have socialism. The present system is based on competition and we must make the competitive principle work or adopt a cooperative system. And that is all that is meant when we use the word socialism.

[Mr. MacInnis.]

The constitutional question was raised by the Prime Minister very early in the discussion. I was glad to hear from the hon. member for Wentworth that we had done unconstitutional things already and that it did not matter so long as the results were satisfactory. I quite agree with him there. It does not particularly matter whether what is done is in accordance with the strict letter of the law so long as the results are in the interests of the people of the country. Indeed, after listening to the leader of the opposition during the last two or three years I came to the conclusion that there was no constitution left to violate, and my reading of history leads me to believe that the constitutional question is trotted out only when the ruling class does not wish to do something which ought to be done. As a matter of fact, raising the constitutional question is about the best way of passing the buck that I know of. Let us go back to the Unemployment and Farm Relief Act of 1931. In that act we find these words, which caused a good deal of discussion in the house:

and for the maintenance of peace, order and good government in the country.

By the insertion of that phrase the government took to itself the right to do anything it might see fit by order in council. It stated so very plainly, and the Minister of Justice, in replying to the criticisms that were made against that act, made this statement as reported in Hansard of 1931 at page 4439:

It is recognized that there is a national emergency. . . .

Another significant statement.

We recognize this emergency by the adoption of these words from the British North America Act, and they were placed in the bill as the foundation of our authority to pass such an enactment. They have nothing to do with the question of enforcement, they are merely a declaration to give us the jurisdiction which we know we have under the circumstances but of which we want to be sure.

The act did say something with regard to enforcement, because we find in it these words:

All orders and regulations of the governor in council shall have the force of law and shall be enforced in such manner and by such court officers and authorities as the governor in council may prescribe.

That, if you like, is going a long way towards unconstitutional action. So that with the passing of that act, and with the precedent set us by the Prime Minister himself, it seems to me that a good deal could be done which the Cooperative Commonwealth Federation would like to see carried out. The measure that was adopted in 1931 was adopted for the

reason that a national emergency existed, and the reason it did not go further was that the national emergency was not great enough. When the emergency does become great enough, other things that have to be done will be done and will be done constitutionally.

I do not think that as Britishers we should feel greatly disturbed over unconstitutional acts, because British history bristles with such acts. I suppose it was quite unconstitutional for the barons in the thirteenth century to bring a document to King John and tell him to sign on the dotted line. I remember quite well that in my history book I was taught at school that King John, with a smile on his face and rage in his heart, did sign on the dotted line. It was also I suppose quite unconstitutional during the Civil war in the reign of Charles I for the people to cut the king's head off. But who blushes today because that was done? These are some of the things we are proud of. Some hon. gentlemen here celebrate the glorious revolution of 1688. It is true the revolution was bloodless, but that was a mere accident. And they would celebrate it with just as much gusto if there had been considerable bloodshed. Yet they talk about unconstitutional acts.

What about the famous or infamous telegram sent by the Acting Prime Minister of Canada to a lawyer in Winnipeg during the general strike there? Let me read a telegram from Mr. Meighen to Mr. Andrews, of June 17, 1919.

> Notwithstanding any doubt I have as to the technical legality of the arrest and the detention at Stony Mountain, I feel that rapid deportation is the best course now that the arrests are made, and later we can consider ratification.

If the cooperative commonwealth acts on the same principle we will do things today which we can ratify later on, whether they are constitutional or not, and I do not see how the leader of the Senate could find fault; nor could the Conservatives in this house complain, because they made no complaint against the action indicated in this telegram when it was done. If therefore we find it necessary to arrest Mr. Meighen and others we can have the arrest ratified later. If we find that we have done anything illegal, we can ratify the arrest after we have held them in Stony Mountain or some other place for some time. These however are minor points.

The great question that we have to solve is why and how we got into this state, and how we are going to get out of our difficulties. It is quite useless for the Conservative party, as they did in 1930, to put on the shoulders of the Liberal party all the responsibility for the condition of affairs that preceded this administration, and it is equally useless for the Liberal party to place the blame on the Conservatives for the conditions that prevail today. I have no doubt these conditions would be pretty much the same if the Liberal party were in power, and that is not casting any reflections on them. We might as well get to the basis of the conditions and, instead of one party blaming the other, we ought to endeavour to find a solution. And let me say that it would be just as useless for the Cooperative Commonwealth Federation to try to place the blame on these two parties unless we ourselves intended to alter fundamentally the basis of the present social order.

Mr. POULIOT: Does the hon. member contend that if the Cooperative Commonwealth Federation were in power that conditions would be any different?

Mr. MacINNIS: No, not if the Cooperative Commonwealth Federation endeavoured to administer capitalism. The difficulties which arise are not caused by parties. When times were good the Liberal party governed well enough and I presume that if times were good today the Conservative party would govern well enough and there would be very little objection, especially from those who like that kind of thing. It would not satisfy me but that is neither here nor there. It would seem that businessmen can run their businesses only when conditions are favourable and the very fact that today they do not know what is wrong or what they should do to set things right is proof positive that they do not understand the fundamentals of their own system and how it operates. While things were prosperous the bigwigs of business thought that they were responsible for the prosperity. They were like the fly upon the wheel; as long as the wheel was turning the fly thought it was responsible for its revolving, but when the wheel stopped, the fly had no idea why it had stopped. Business has slowed down and these people do not know what is wrong or how to right the condition. The fault does not lie either with the lack of business ability upon the part of businessmen or with the lack of administrative ability upon the part of governments. It is because of qualities which are inherent in the capitalistic system.

Speaking upon the question of unemployment during the session of 1931, I stated that the root cause of the condition which prevailed in the country at that time was the private ownership of the means of production—capitalism. It was the private ownership of the means of production which is

vested in a few hands and which operates only when the owners can make a profit. I challenge anyone to prove that that is not the case. We have a superabundance of commodities on one side and we have misery, want and starvation on the other. Why can we not take the abundance on this side and give it to those who are suffering in want and hunger? It is because between the abundance and the misery stands the ownership of the means of life. Until we have changed that social relationship there is nothing we can do that will be of any particular benefit or help in getting us out of our present situation.

There are those who say, like the hon. member for Labelle (Mr. Bourassa), that if we could only change men's hearts we could do it. Others say that it can be done by merely changing the monetary system but I have yet to see a monetary reform, I do not care from whence it comes, which will incline any employer of labour to give to his employee more of the actual value of his labour than he is now getting. By the very necessity of the case, the employer of labour is compelled to increase the spread between what the labourer gets in wages and what he takes in profits. Until we can solve this problem there is no use in putting forward monetary reforms or other palliatives.

Then we come to the matter of surpluses. At the present time it is impossible to dispose of the surplus which has been produced by labour. Despite this fact every employer of labour, not necessarily because he is greedy, not necessarily because he is anti-social but because of the inherent nature of capitalism, is compelled to lower still further the wages of his employees. He is compelled to do this in order that he may compete upon more favourable terms with other employers producing the same kind of commodity. Every time an employer of a particular class of labour, for example, shoe workers, reduces the wages of his employees, although he may be able to meet world competition, he is reducing the purchasing power in his own particular community. He is reducing the purchasing power at home in order to increase his ability to sell in markets abroad. Under the present system it is impossible to get away from this condition, and we cannot meet the situation by offering some sort of monetary reform.

Capitalism was able to continue just as long as this surplus production could be disposed of, either by being invested in new capital or through being wasted in war. However, whether it was invested in new capital or wasted in war, there was always left behind a load of debt upon which interest must be paid. The problem facing the governments of the industrial countries of the world is how to meet the ever-increasing debt burden and the ever-increasing expenses of unemployment out of an ever-decreasing revenue because of the slowing down of the production of wealth.



At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. MacINNIS: Mr. Speaker, the hon. member for Toronto Northwest (Mr. MacNicol) and the hon. member for Wentworth (Mr. Wilson) endeavoured to make up for their lack of knowledge of the policies of the socialist and labour movement in this country by trying to frighten the people of Canada with tales of Moscow, the Third Internationale, patriotism and so forth. The hon. member for Westworth said that if there were any one in Canada who was not satisfied with conditions as they existed he had better go to Russia. I know of many Conservatives who are not satisfied with conditions as they are in Canada; neither am I, but I have no intention of going to Russia because to do so would not rectify matters in this country. Canada is my native country, by accident of birth, I admit, but I am going to stay here and do my share in making conditions better.

To try to connect us up with the Communist party is certainly most foolish, because anyone who knows anything about the tactics of that party and who has read any of its literature, knows we come in for more condemnation at the hands of that party than does either the Conservative or the Liberal party. Let me read a short item in connection with the election in my constituency in 1930. I had there as opponents a Conservative and a Communist. It was rather strange that in every constituency where the Labour party ran a candidate in the dominion election of 1930 and in no other, the Communist party had also a candidate. This, I think, will bear out what I say. After referring to me in language that was anything but complimentary, the Communist party say:

> This is what the Labour party here offers to the workers of South Vancouver and Canada. The Communist party is in this campaign to expose the Labour party for what it is—a worse enemy of the workers than the avowed capitalist parties.

A rather peculiar feature of that campaign was that while I had two opponents who were

supposed to be diametrically opposed to each other, neither of them said anything against the other in the election, but each of them turned his guns on me. In order to show where the sympathies of the Communist party went, let me read a little further:

Unfortunately, the Communist party in Vancouver South has a family name—Bennett—that may mislead some of the voters on polling day, but he earnestly hopes that no Conservative will vote for him in the belief that it is a vote for the leader of the Tory party.

This was because if they voted for Bennett in Vancouver thinking it was the then leader of the opposition (Mr. Bennett), those would be votes taken from the Conservative candidate in that election and consequently votes in my favour. The Communist party naturally were not in favour of that. I should like Conservative members to explain this if they can.

To deal further with the reference of the hon. member for Toronto Northwest to the philosophy of Karl Marx, I do not know whether this is the first time it has been quoted in the House of Commons, but I do not think it will do members any harm to get a better conception of that philosophy, of the genius of the individual concerned, whose monumental works, the analysis of capitalism, capitalist economists have for the last seventy years been trying to discredit and have been unable to do so. Let me read from his work, Capital, at page 533:

We have seen how this absolute contradiction between the technical necessities of modern industry, and the social character inherent in its capitalistic form dispels all fixity and security in the situation of the labourer; how it constantly threatens by taking away the instruments of labour, to snatch from his hands the means of subsistence, and by suppressing his detail function to make him superfluous. We have seen, too, how this antagonism vents its rage in the creation of that monstrosity, an industrial reserve army kept in misery in order to be always at the disposal of capital; in the incessant human sacrifices from among the working class, in the reckless squandering of labour power, and in the devastation caused by a social anarchy which turns every economical progress into a social calamity.

Is that not absolutely true of the present situation? I can prove this by quotations from various other sources, but let me give one. On December 27 last the Vancouver Province had an editorial on the project which France has in hand at the present time of irrigating 1,000,000 acres of the Sahara desert. After referring to that immense project, that is expected to be at least partly finished by the end of three years, it goes on to say:

But to a disillusioned world the news brings no gleam of hope, no anticipation of happiness. It is true there are millions of people who could use the cotton that will grow on the new Sahara acres, if they could get it. But there are great quantities of cotton grown in the world now—in Egypt, in the United States, in India—and the market for it is dull and the price low. If the million acres of Sahara land come under cultivation by 1936 and begin to produce, then a million acres of marginal land in some of the countries that produce cotton now will have to go out of cultivation or be turned to some other crop.

Maybe they will start growing wheat.

Unless, of course, the market can be widened. We have come to the point in cotton, and not a few other things, where the irrigation of one desert means the creation of another.

If those who do not understand Marx or have never read him will take a little time to read what he has written and then compare it with conditions as they find them today, they will very soon be convinced of the wonderful insight of the man. Let me read a little further from the famous thirty-second chapter of volume one:

That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many labourers. Thus expropriation is accomplished by the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist kills many.

That is what the hon member for Labelle (Mr. Bourassa), was telling us this afternoon in such beautiful language. I quote further:

Hand in hand with this centralization or this expropriation of the many capitalists by the few, develops, on an eevr-extending scale, the cooperative form of the labour process, the conscious technical application of science, the methodical cultivation of the soil, the transformation of the instruments of labour into instruments of labour only usable in common, the economizing of all means of production of combined, socialized labour, the entanglement of all peoples in the net of the world market, and thus, the international character of the capitalistic regime.

I hope the hon. member for Toronto Northwest will continue his studies of Marx, and we may expect to hear more from him in the future. In face of the situation that is confronting us, in face of the fact that we have an abundance that we do not know what to do with, all that the present ruling classes are able to offer us is more economy. All that they can offer to a people now almost suffocated with the abundance of their own production is more economy. Let us see what this economy means. First of all it is practised by the cutting of wages. Lowered wages mean less purchasing power. Less purchasing power means a lowered consumption of goods. A lowered consumption of goods means the slowing down of industry. The slowing down of industry means more unemployment. More unemployment means

more governmental expense, and that means more taxation and more difficulty in balancing budgets. Then we arrive at the stage where in order to meet the situation we have to economize still further and go around the whole vicious circle again. That is the solution, and the only solution, that the present ruling classes have to offer. We maintain that all the factors that were present in 1928 and 1929 at the height of the boom are still here. We have our natural resources; we have the same mechanical means of production; we have the human skill and technical training and all the human labour necessary to operate our machines; and yet because the employing class cannot make a profit out of the operation of their equipment, factories and machines are idle, and thousands starve.

It is said that Canada will not stand for socialism. Well, sir, I say that there is one thing that will prevent socialism coming in Canada, and that is that those now responsible for affairs in this country make capitalism function in the interests of the people. That is their business, and if they cannot do it, no one else can.

I was interested in noting that even as great a conservative as President Hoover has come to the realization that governments must take more interest and a more constructive part in the organization of production. In his last message to congress in December, 1932, in closing President Hoover made this statement:

> With the free development of science and the consequent multitude of inventions some of which are absolutely revolutionary in our national life, the government must not only stimulate the social life, the government must stimulate the social and economic responsibility of individuals and private institutions but it must also give leadership to cooperative action amongst the people which will soften the effect of these revolutions and thus secure social transformations in an orderly manner—

That is what we are after—social transformations in an orderly manner.

In conclusion, Mr. Speaker, in my opinion we have finished the upbuilding of our industrial civilization; it is now more than sufficiently equipped to supply the needs of the population for many years to come. Such being the case, the government of this country, in common with nearly all the governments of the world, is facing a very serious situation. It is faced with a collapsing social structure. It is not responsible for that impending collapse. I take it that it built as well as it knew. Most of us thought that we were living in the best of all good worlds, a world in which it was possible for everyone to get richer than everyone else, provided we were willing to work hard and take advantage of the need of our fellows.

The system is slowing down and failing to provide for our needs in even the inadequate way in which it once did. The slowing down is the direct result of its own development. Change now is inevitable. The only choice is to faciliate change or oppose it. Ours is the opportunity of helping to bring in the new social order which will make the bounty of nature as organized by the intelligence of man available to everyone. But changes do not wait for our pleasure, and we oppose them at our peril.

Mr. WILLIAM IRVINE (Wetaskiwin): The resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) surely merits reasonable consideration and is a subject of fair debate. So far as I can see there is no need for any rash imputations from either side, nor is it necessary to bring in personalities. The resolution clearly sets forth the line of thought which divides the government from those in this corner, and indeed divides the official opposition from those in this corner. I have been surprised that so little interest has been manifested in a question which will shortly be, and is now in fact, an issue not only in Canada but throughout the world, and one which will undoubtedly be the issue at the next election in Canada, whether we wish it or not. I am surprised that the government has not taken a deeper interest in the issue. Only two government members have spoken, one of whom told us that he has been silent in the house for twenty-one years, and now he comes out in defence of the capitalist system. I hope he will not take it unkindly when I suggest to him that if he has been successful for twenty-one years with his tactics of silence, it was a great pity to break it, because I do not think he will be nearly as successful making speeches as he was by saying nothing.

I am surprised that some of the members of the official opposition have not had anything to say on this question. The hon. member from Vancouver Centre (Mr. Mackenzie) has declared from the floor of many platforms in the western provinces that there is nothing in the program of the Cooperative Commonwealth Federation which has not been in the Liberal program from time immemorial, and that he supports our platform in every detail with the exception of its land policy. I am surprised that he has had nothing to say in this debate. I had hoped that he would tell us just how far he was willing to go on this resolution, which marks the only real difference of opinion in this house.

We had an election in Calgary very recently. It was for a provincial seat covering practically the territory of two federal ridings. In that contest, which was held under the proportional representation system, we had the Conservatives and the Liberals joined together under a new name. Neither party dared to run a candidate under the banner of either Liberal or Conservative. They both joined together as against the Cooperative Commonwealth Federation candidate. What was the result of that election? A little over two years ago the Liberals and the Conservatives combined had a surplus over the Labour candidate of 24,988 votes. The territory was not precisely the same; in fact, the area left out in this most recent election included a large agricultural district in which we would have expected to get ninety per cent of the votes. But we may take the vote in the recent Calgary by-election as representing the relative strength of the two forces—the Cooperative Commonwealth Federation and the capitalist forces. At that election we reduced the majority of 24,988 to something like 1,800. That would seem to indicate that the people in the country are more interested in this question than some hon. members of this house.

This resolution goes to the very heart of the present economic system. It implies, if it does not definitely state, that the capitalistic system, or the economic system under which we are now living, has distinct characteristics. One of these is the private ownership of public utilities and public lands, or what should be public lands, and power which should be public power, and sources of wealth of that sort. It next implies that the method of capitalism is competition, and that competition has led to anarchy within the nation and bloody wars outside. It implies also that the object of capitalistic production is profit. This resolution implies—and I want hon. gentlemen to listen, because some of them have suggested that no proposals have been made—first, public instead of private ownership; cooperation instead of competition; production for use instead of production for profit. It stands for a planned control of our national economy instead of the present anarchy. It stands for the priority of human needs over property rights. It stands for international peace, to come as a natural consequence of cooperation, instead of international strife inevitable in a condition of competition such as we have at the present time.

These, Mr. Speaker, are our proposals. And I take it that there is room for debate on them. We are perfectly willing to be shown that these proposals are impractical, if the hon. gentlemen who are so interested will undertake to show it. These are our proposals, and we turn to the government and to the opposition and say: What are yours? Have they ever been articulated? The government's attempted remedies are already on the scrap-heap. The first was increased tariffs. Have the tariff increases done anything to improve business? Have they wiped out unemployment or done anything to meet the immediate needs of the hour?

Mr. VALLANCE: You voted for it.

Mr. IRVINE: My hon. friend is having one of his dreams. I am telling him and telling this house that as far as solving the economic problem of Canada is concerned, tariffs have failed. But that does not say you can do without tariffs, or that I would not vote for them.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: Mr. Speaker, I ask you to keep order when hon. gentlemen who are so anxious to talk when someone else is talking create disturbance. My hon. friend reminds me of a rooster that has been defeated in a barnyard fight and moves a little way off from the scene of his defeat and forthwith begins to crow up another reputation.

Mr. VALLANCE: Had you that all written out?

Mr. IRVINE: My hon. friend realizes that he has not been able to bring forth a single proposal in this house, nor has his leader, nor has his party. They have been expecting to gain power from the failure of the present administration, but up to the present time they have not advanced one constructive policy. If they have one, I am waiting to hear it, and if it is constructive enough I am with them, but so far nothing has come.

Mr. BRADETTE: The new Messiah!

Mr. IRVINE: And the devil! I hope, Mr. Speaker, you will allow me a little extra time, because it is impossible to reply to all these interruptions and carry on my speech and keep within the time.

Mr. SPEAKER: Order.

Mr. IRVINE: This is the liberty of Liberalism that we have exemplified on the right. Let me summarize some of the features of our social and economic problem. First, there is a marked decrease in trade; second, there is falling revenue and there are unbalanced budgets everywhere, as bad in other countries as in Canada; third, we have paralyzed business;

fourth, a growing army of unemployed; fifth, our farming industry is being carried on at a loss, in fact carried on at less than cost, farmers being unable to pay their taxes or their interest or reduce their debts; there is constantly increasing debt, and a hopeless outlook for the youth of Canada.

These are the facts. I do not blame these either on the opposition or on the government; I blame them on the system itself. They are natural consequences of the manner in which we have been doing business. We say that capitalism is on trial. Hon. gentlemen have done their best to turn the guns on the Cooperative Commonwealth Federation. I want to make it clear that we are not on trial, that capitalism is on trial for its failures in the matters that I have pointed out. Our resolution implies that it has failed and cannot be reconstructed.

It is no cause for fear when we say that capitalism cannot be reconstructed. The economic system known as capitalism is only one of a number of economic systems known to history. That known as slavery and that known as feudalism both preceded capitalism. They, like this system, made their contribution and passed out of human history, and out of their ashes grew the present system. It, too, is falling to pieces and cannot be resuscitated, cannot be repaired. I have no hesitation in saying that if it could have been repaired the hon. gentleman who is now tinkering with it would have been able to do it. As far as I am concerned I have no interest whatever in putting someone else in to administer the capitalistic system in place of those now on the job. I believe there is at the head of the present government one of the greatest capitalistic minds that Canada has produced, and if he cannot make capitalism go, the hon. member for Vancouver-Centre and his leader will have a hard job making it go. The Liberal party has already tried to repair the system. It is only two years since the Liberals were compelled to give up their repairing in the interests of the country. I am therefore not interested in putting any other group in power. So long as capitalism has to be administered, let those who understand it go ahead with its administration. I say however in the first place that capitalism cannot be repaired because it cannot go on without foreign markets and there are not sufficient foreign markets in the world to take delivery of all the goods which the industrialized world is capable of producing. There can be no question about that. It has been estimated that the United States can make enough automobiles for eight worlds the size of ours and therefore they must distribute automobiles throughout the world. But so can Canada make enough automobiles for several worlds; so can Great Britain, and so can other industrialized countries. Now, where are the foreign markets for automobiles? And what is true of automobiles is equally true of everything else that is manufactured generally throughout the world.

Every industrialized country in the world today has a surplus, and to a very large extent a surplus of the same sort of goods which every other country has to offer; so that capitalism without foreign markets cannot go on. There are no foreign markets to take the surplus. It may be asked, why cannot capitalism go on without foreign markets? The reason is that capitalism, because it is capitalism, never has distributed and never can distribute sufficient purchasing power in the process of production of any commodity to enable the people concerned to buy the output, so that there must remain a surplus at the end of each producing year, and that surplus cannot be distributed because capitalism has failed to provide the purchasing power necessary for the purpose. Hence a surplus for which foreign markets are sought. Our own Prime Minister has suggested that a favourable balance of trade is imperative to the wellbeing of Canada today. But how can every nation in the world obtain a favourable balance of trade? That is an impossibility; so that if capitalism depends on nations retaining favourable balances of trade then obviously the system is absolutely doomed.

The next reason why capitalism cannot be repaired is that already the field for the investment of capitalistic surplus has narrowed almost to the vanishing point. For instance, if an hon. member had a million dollars which he wished to invest today he would have a great deal of trouble finding where to put it so as to get back with safety his investment plus ten per cent. Where would he put it? Not in railways, not in coal mines, not in agriculture, not in pulp and paper, not even in the bonds of the state, because that is no safer than the people's ability to pay taxes. There is therefore really no safe place in which capitalistic surplus can be invested either at home or abroad.

Now what happens when you cannot find profitable investments for surplus capital? Simply this: capitalism stops. The dynamic force of the system is the hope of making a profit, and when you have taken away all chances of profits it stops the investment of capital. The hope of profit is to capital what gasoline is to a car, and if there is no gasoline

obviously the car stops. That is the second reason why capitalism cannot be repaired.

The third reason is that the debt structure which has been built up under the capitalistic system has been so constructed that its collapse is no longer a matter of prophecy but of mathematical certainty. The reason why it collapses is that the debt charges have become so great, they take so much of the national income, that standards of living cannot be maintained if they are paid. And already a number of nations have repudiated their debts. Germany has repudiated; France has repudiated; Belgium has repudiated; Czechoslovakia has repudiated, and Great Britain has given her last notice that she will never pay any more under the old conditions. And Calgary has repudiated. Now, these are only the beginnings. There is no question at all that the debts of the world cannot be paid—four hundred billions of dollars of an international debt, and we have approximately twenty billions of interest bearing debts in Canada which cannot be met as things are. These will be cancelled because there is nothing else to do with them. They cannot be paid in gold because there is only eleven billion dollars of gold in the world, nor can they be paid in goods because the people whom we owe have already so much goods of the kind which we would give in exchange that they do not know what to do with their own surpluses, so that they will not take delivery of ours. Indeed, they have built up tariff walls to protect themselves against receiving goods in lieu of debts. Therefore the debt system will crush the capitalistic system. It may be that while the present government is in office it will have to do the cancelling of international debts so far as Canada is concerned, and in that event, I would point out, that would not be capitalism. Capitalism never cancels anything, but when these debts are cancelled it will be a clearing away of the debris so as to make it possible to lay the foundations of the new social order which we propose.

Let me point out something else in connection with capitalism. Technological unemployment is a fact. A large percentage of the unemployment today throughout the world is attributable to the fact that mechanical contrivances of one kind or another have supplanted men. We are told by technocracy that the tendency is towards the reduction of the human element to zero in the production of goods, and judging from the growing army of unemployed there certainly does seem to be some reason for the conclusion arrived at in this regard.

Now what does this government, what does this opposition propose to do with regard to unemployment? If you have a cure for unemployment, put it on the table and let us have a look at it. If you have a cure for the burden of national and international debts, let us hear what it is. If you have a cure for the overproduction of farm produce, let us know what that cure is, because we are willing to listen. It may be that capitalism can be rebuilt. I am arguing that it cannot, but if it can be, then let us see how you propose to do it. But in my opinion capitalism should not be rebuilt even if it could be, and I argue that it should not be rebuilt chiefly because of the manner in which it distributes the national income. The national income to-day is divided by a mechanical method. There used to be a time when it did take a great deal of work and thrift for a man to become wealthy. That was before machinery made such a contribution to the production of wealth; but since it became possible to invest savings in bonds there has been no further need for anyone to work if he has been fortunate enough to be left an inheritance of bonds payable in twenty, thirty, forty or fifty years, at five and one-half per cent. The only thing such an individual needs to do is to hold his mouth to the spout, and if he has not enough intelligence to find the point someone will show him, and if he is not physically fit to stand with his mouth open at the spout, someone will support him while he does so.

Capitalism divides the wealth of the country unfairly and by mechanics. That machine is made up first of natural resources such as land, timber, minerals and water powers. Next is the monopolistic control of the machines that have been produced by thousands and thousands of men in all ages and which have contributed to human wellbeing. Next we find privileges—banking privileges and charters and tariffs and other things that enable people to acquire wealth easily. This great machine is put together and held together by an interlocking directorate, at the very centre of which is finance. They proceed then to divide wealth by machinery and, as someone has said, this process is very much like the cream separator. The farmer puts his milk into the big can at the top while the working man turns the handle; centrifugal power divides the cream from the skim milk. All the cream comes out the spout into the capitalist's mouth, while the skim milk goes into the mouths of everybody else. When the capitalist is filled up with cream, he stops the machine

and the people do not get even skim milk. That is how the wealth of this country is divided; it is divided mechanically, and no matter how much you may hope and pray, as long as that machine is working the cream always will come out the cream spout and the skim milk come out the other. We say that that division is unfair and that it must be stopped, but we contend that it cannot be stopped under the capitalistic system.

I pause now to ask both parties if they will kindly tell us how they propose to divide the wealth of the country in the future. How do you propose to divide incomes in a different manner than that being employed today? How do you propose to meet the difficulties which I have enumerated? If you have a policy, let us hear it. The people of this country want to know what it is. We have not so much time in which to find one if one has not already been found. Things are moving much faster towards disaster than most of us are aware, and if the government or the opposition has a policy, this is the time to say what it is.

I intend to utilize the rest of my time in dealing with the proposals of the Cooperative Commonwealth Federation. These proposals have been argued and put forth for several years by hon. members in this corner of the house. I could look up Hansards of the past and indicate to the house how resolution after resolution has embodied in part the principles of the present one. We have put forth from time to time policies with regard to finance, the socialization of credit, natural resources and planning. Do hon. gentlemen ask that we go into details at this moment and state exactly everything which should be done twenty years from now? If they do, then I reply in the words of one of the great leaders in this house, who was perhaps quoting another leader, by saying that we will prescribe those details when we are called in. It is the old parties and the capitalistic system which are on trial, the people of this country are the jury and the evidence is in every home in Canada. I have no objections to outlining our program, but we are not on trial. We refuse to enter the dock and take the place of that system which is on trial and which we say is bringing the people of Canada to distress and disaster.

First of all, we submit that we should plan our national life, and we propose to do that when we get the opportunity. In the capitalistic world at the present time planning not only is not done but is impossible. You cannot plan in a world which is competing; you cannot plan when you have thousands of individuals competing with each other because of personal viewpoints. You can plan only when you have control of the economic situation and we propose to take that control by, in the words of the resolution, socializing the means of wealth production, which are our natural resources, and the plant, equipment and financial structure of the country. These we say should be socialized. No attempt has been made by hon. gentlemen to show us that we can continue successfully under the capitalistic system; so far the only argument which has been advanced has been an indiscriminate condemnation of the Cooperative Commonwealth Federation. This I think is due either to lack of ability or lack of knowledge which would enable hon. gentlemen to criticize judiciously. We are putting forward a proposed system in general terms, and we believe that planning will be an important essential in the introduction of that system.

Next, we want to nationalize or socialize —I use the terms synonymously—the natural resources of the country. Let me illustrate by a reference to the water-powers of Canada what we mean by that. Surely no one in this house will say that the water powers of the St. Lawrence should be voted by this or any other house to any individual or group of individuals. Surely we will all say that if the water-powers of the St. Lawrence belong to anybody they belong to all Canadians, not only those now living but those who will be here a century from now, those who will be here a thousand years from now—they belong to all Canadians for all time. To vote that authority and control of these powers be put into the hands of one little group, to be passed on to their children's children, while all the rest of Canada pay tribute, is too absurd for comment. We propose to take these over as the common right of the people of Canada.

Let me give another illustration. We are told by the technocrats that one hundred men in the United States working in an up-to-date factory equipped with modern machinery can make enough bricks for all the United States. Is it fair to allow such a machine to be controlled by an individual or group of individuals? It used to take hundreds of thousands of men to make these bricks; they used to receive wages with which they bought goods and thus increased business. They were able to make a living for themselves without being forced upon charity. Now, because of the control of this machine being in the hands of one corporation, vast

numbers of people have been put out of employment. Did the people who now control this machine make it? No. That machine was not made by any single individual or by any single nation; that machine represents the cumulative creative genius of mankind. It is the heritage of man and is not for sale. There are some things which cannot be bought, no matter how much money there may be with which to buy them, and that machine is one of them. It cannot be bought, because no man has the right to sell it; it is the heritage of mankind. We propose to take over such machines and run them in the interests of all the people rather than allow them to be controlled by one or two.

Next, we propose to socialize the credit system of Canada, which represents ninety-six per cent of all the money distributed throughout the country. That money is distributed by the bankers of Canada. The banks themselves have no credit; they are simply empowered to administer the credit of the people of Canada. That credit certainly has not been well administered in the past; it has been excellently administered of course from the bankers' point of view or from the point of view of private ownership and control, but not from the point of view of the well-being of the people and of the business of Canada. I do not blame the bankers, because they are simply following the capitalistic system, and as long as they follow that system they will continue to do what they have been doing. But I argue that we cannot continue, that we must change the system. No government can meet the conditions described as long as they hold on to the capitalistic system. The banks cannot do other than what they are doing as long as they hold on to the capitalistic system. No institution under capitalism can do other than it is doing today while that system lasts. The argument is advanced by the government and the opposition that that system must last, that it is a good system, and that we cannot improve upon it. I argue that the system cannot last; that it is a bad system and that we must improve on it or civilization will go down.

The Cooperative Commonwealth Federation guarantees to every Canadian economic security. We have in this country sufficient food, clothing and shelter, with our 10,000,000 people and all our plant equipment, to guarantee at least abundance of these necessaries to every Canadian. That cannot be done under the present system unless you go into debt to do it, or unless you organize charitable institutions to take over the work of distributing supplies. But it can and must be done under socialization.

Just one other point. Let me draw the attention of the house to the difference between the philosophy of capitalism and that of socialism. Capitalism took its rise in the midst of perpetual scarcity. Scarcity was not only perpetual; it was universal. There was not too much of anything but poverty. It follows that the natural law under a condition of scarcity would be competition. Every man will struggle and fight for the biggest share of that which is scarce if it is essential to his welfare. So that capitalism necessarily was a competitive system, and in competition the wage earner usually came off second best; because in the struggle for markets, reduction of overhead was essential and wages were usually the easiest kind of thing to reduce. The result was that the human element was left entirely out of account and the struggle went merrily on. Under present conditions we suggest we can begin our new system by laying down the cornerstone of the cooperative commonwealth on the bed-rock fact of abundance. There is in Canada abundance of food, clothing and shelter—I cannot go into all the other things, but I am claiming there is abundance of each of these three. Just as conflict and competition are the inevitable outcome of scarcity, so cooperation is the inevitable outcome of abundance. Therefore we have come to the place in history where it is possible to cooperate one with another. There is no more need in Canada to fight over bread than over water; there is no more need to fight over a home than over water. Our building materials and our men to build them are so abundant that every person in this country can have a home. There is no more need to fight over clothing, boots and shoes, furniture or other essentials of the home in Canada than there is to fight over water. There is simply an abundance of everything, so much so that our citizens are today being smothered in it and have not been able to find a way out. Our capitalistic protagonists, advocates and administrators have not been able to find means to distribute to the people of Canada the abundance that capitalism has produced. How are you going to distribute this abundance to the Canadian people this year? It cannot be done through wages, for there is no work. You cannot increase work, because there is a surplus already and no markets for what is on hand, let alone a further production. So there you are with an abundance at hand, yet holding up your hands and saying: Because we have a constitution

and because capitalism must be sustained, we must allow the people to starve while we just sit here. I do not believe the people of this or any other country will stand for that very much longer. They are going to find some way of correcting the maladministration that I have indicated.

May I conclude by saying that the resolution moved by the hon. member for Winnipeg North Centre, clearly cuts the line between capitalism and socialism. There is no question about that. It places the issue where it ought to be placed. The next fight in Canada will be between socialism and capitalism, and if hon. gentlemen opposite and to my right do not defend capitalism better in that election than they have done in this debate, then it is going to be too bad for hon. gentlemen opposite. I believe the issue is what I have said it is. In the place of private ownership, competition, debts and unemployment, we advance cooperation, social ownership and the use of commodities instead of holding them for profit.

Mr. J. EARL LAWSON (West York): Mr. Speaker, I accept the invitation, shall I say the challenge, of the hon. member for Bow River (Mr. Garland), seconded to-night by the hon. member for Wetaskiwin (Mr. Irvine), that some of us on this side should discuss the resolution before the house. The hon. member for Bow River, in endeavouring to describe what he alleged to be the condition into which capitalism had put this country, chose to draw an analogy from the field of aeronautics. Hon. members who were in the house will probably remember that he said:

> We have been in an economic tailspin . . . for three years. We are now entering the fourth year, and any tailspin which is permitted to go unchecked will sooner or later reach the nose-dive stage.

Unfortunately, the hon. gentleman illustrates very clearly his lack of knowledge of aviation. Any skilled pilot will take an ordinary flying machine out of a nose dive. He will take it out of a bank. He will take it out of a falling leaf. He will take it out of an upside down or reverse position. His one fear is when he gets into a tailspin; if he does, he has great difficulty in relieving himself of that condition to get into any other position, whatever it may be.

Later on in his speech the hon. gentleman propounded to the house and to the country that the group with which he allies himself is offering leadership to Canada. He says with respect to that leadership: It may be wrong; it may be stupid; it may be futile; it may be anything you say about it, but at least we are offering leadership. I say to the hon. gentleman that I fear that the leadership which he and his group are offering to this country displays a similar lack of knowledge of fundamental principles to that which he has so ably demonstrated in the field of aviation.

The hon. gentleman pithily punctuates his address to the house with a question: Can a state founded on social injustice and inequity, survive? Obviously the answer is no. But the point is: What is social injustice and inequity? That question is just as difficult of ultimate conclusion as is the abstract one frequently asked: What is truth? or another one which is rather facetious: How long is a piece of string?

The hon. member for Vancouver South (Mr. MacInnis) would have us proceed to our new order with little regard for our constitution or for constitutional methods. In justification of that position he illustrates the unconstitutional method adopted to procure, I think, the Magna Charta, in 1215; the unconstitutional methods adopted to secure other reforms from 1688 to 1690. But surely when the hon. gentleman so argues he loses sight of the fact that he is now living in the twentieth century, that civilization has progressed a long way, and that democratic institutions both in this country and in many other countries of the world have been firmly founded since the dark ages of 1200 and 1690.

The hon. member for Wetaskiwin (Mr. Irvine), who has just taken his seat has also uttered one of those commonplaces which we hear so frequently from public platforms, and which was stressed by some of the advocates of cooperative commonwealth in the riding of West York, namely, that capitalism is on trial. I take issue with him on that statement. I do not believe that capitalism is on trial. Capitalism is merely an economic system which is permitted by a democratic people in a democratic country through the expression of the will of a substantial majority of the people. To my mind what is on trial, or what is the issue which my friends of the Cooperative Commonwealth Federation are raising, is that democracy is on trial, not capitalism. The issue they raise is: Shall this democracy in the future be permitted to express its will by constitutional methods through the voice of the people, or shall the people of this country be circumvented and controlled by a state financial system and by state operation of industry and all other activities of our people? Shall we lose our individualism and be controlled in almost our every action? To my

mind it is democracy, not capitalism, which is the issue raised by my hon. friends in this motion.

Several hon. gentlemen who have spoken on the motion have dealt with the monetary question. Time will not permit me to discuss that phase tonight, but I shall be glad to avail myself of a future opportunity if it arises, because hon. gentlemen in the far corner have complimented us on this side of the house by saying that we have neither the knowledge nor the wit to discuss that question.

Let us for a moment consider the resolution before the house:

That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

Sometimes it is worded "and not for the purposes of profit." If I can judge aright from the utterances of hon. gentlemen, particularly of the last speaker (Mr. Irvine), the ultimate object of the program of the Cooperative Commonwealth Federation is to set up in this country complete state control. My first session in this house was 1929, and the first utterance I ever heard in this house with respect to the only state-controlled economic system which I know of in this world was a mention of Russia by the hon. member for Winnipeg North Centre (Mr. Woodsworth) who now leads this new social order. At that time he arose to inquire what steps were being taken by Canada to reestablish trade relations with Russia. Later on in the same session the same hon. gentleman moved a resolution asking for copies of all correspondence, reports and other documents relating to the activities of the Communist party in Canada during the year 1928. The then Minister of Justice objected to the house carrying such a motion on the ground that in the interests of the country the information should not be made public.

Later on in the same session the hon. member for Winnipeg North Centre, not having succeeded in carrying his resolution, took the then Minister of Justice to task because he had not given out the information. Speaking at that time he said:

I think this is a case of a bogy man held in reserve to be trotted out occasionally by the reactionary elements in the community. I do not see that we are helping the cause of good government in Canada by maintaining a secret police system which is constantly spying on certain groups.

Well, sir, time has proven that the position of the then Minister of Justice was well taken, because at that very time we had in this country a communist party financed by Moscow, subscribing to the Third Internationale, and endeavouring to disrupt, if I may use a phrase which is sometimes condemned, peace, order and good government in this Canada of ours.

My second session in this house was 1930 and in that session the hon. member for Winnipeg North Centre, when the estimates for external affairs were under consideration, was upon his feet inquiring of the then Prime Minister as to what were the relations existing between Canada and Russia. In the course of his inquiry and discussion he said:

To be more specific if, for example, a Canadian wishes to go to Russia can he obtain a passport here?

Then in 1931 or 1932 the hon. member for Winnipeg North Centre did go to Russia on a visit, and learned of their great state-controlled system. In the session of 1932 he again questioned the government of the day as to what commodities were being traded in as between Canada and Russia.

My third session was 1931, and in the session of that year I find the hon. gentleman still displaying the same great concern over Russia and our trade with that country. Speaking on a resolution moved by the hon. member for Red Deer (Mr. Speakman) the hon. member for Winnipeg North Centre, as reported on page 77 of Hansard of that year, said:

I wish I had time to go into a question which is of very great interest to me, namely, the ban which has been placed upon Russian imports. It is not so much the order in council even that I object to, as the statement which accompanied that order in council.

Then after quoting a statement made by a member of the government he said:

I regard that statement as an absolutely gratuitous insult.

Then I come down to the session of 1932. The hon. gentleman had made his visit to Russia. He took occasion to deliver an address in this house on a resolution moved by a member of this house, in which he extolled in most glowing language the benefits and enjoyments brought about under the Russian system of managed economy—

Mr. WOODSWORTH: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. WOODSWORTH: No, I will not sit down. A question of privilege, Mr. Speaker. The hon. gentleman is not stating what took place. There was no extolling the wonderful

privileges existing in Russia. I gave a statement as to what I found there, in some places praising it.

Some hon. MEMBERS: That is not privilege.

Mr. WOODSWORTH: —in other places condemning it.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman is making a speech.

Mr. WOODSWORTH: I am not making a speech, Mr. Speaker. It is a question of privilege.

Mr. SPEAKER: Order. The hon member may not agree with the hon. gentleman who is now speaking, but this is not the time to reply. The hon. member for Winnipeg North Centre (Mr. Woodsworth) will have his opportunity to reply.

Mr. WOODSWORTH: I am not replying, I am speaking on a question of privilege.

An hon. MEMBER: Of opinion.

Some hon. MEMBERS: Sit down.

Mr. WOODSWORTH: Mr. Speaker, it is a question of privilege. I absolutely deny the statement made by the hon. member.

Mr. SPEAKER: The hon. gentleman will have his opportunity to reply, as I have just pointed out.

Mr. WOODSWORTH: As a member of this house I have a right to rise at any time on a question of privilege.

Mr. SPEAKER: In my opinion the hon. member is not speaking to a question of privilege.

Mr. LAWSON: I have no desire to do the hon. gentleman an injustice. Time will not permit me to quote at length from the speech which he then made. I have given to this house my interpretation and understanding of the words which I then heard, and which I have subsequently read, and if any hon. members of this house are interested in coming to a judicial conclusion as to whether or not I have misstated or misrepresented the remarks of the hon. member for Winnipeg North Centre I refer them to his speech in Hansard of 1932, commencing at page 114. Before I finish I shall give a quotation from it to illustrate my point.

When I find in every session since I have been in this house the hon. gentleman so solicitous, so concerned for that country which has a completely state-controlled economic system; when added to that I find him blossoming forth in 1932 as the leader of this new —not political party—social movement, and when I find that the utterances of the gentlemen who support that movement lead ultimately to complete state control, then, sir, I think I am justified in coming to the conclusion that the cooperative commonwealth is communism; communism without bloody revoluton, if you will; communism without what these hon. gentlemen are pleased to term bureaucratic control, if you will, but nevertheless, as an economic system and in its essence I say that cooperative commonwealth is communism and communism is cooperative commonwealth.



Mr. GARLAND (Bow River): Absolute rubbish!

Mr. MACKENZIE (Vancouver): That is what it is.

Mr. LAWSON: The remark of the hon. member for Bow River (Mr. Garland) on this subject is only equalled by his knowledge of aviation.

Mr. GARLAND (Bow River): I am not as much in the air as my hon. friend.

Mr. LAWSON: Sir, I happen to represent in this house a constituency which in point of population is one of the largest in the Dominion of Canada, and ninety per cent of the people of that constituency are labouring people. So that there may be no misunderstanding either in this house or in that constituency as to where I stand, let me say here and now that I stand for capitalism as an economic system, as against communism or cooperative commonwealth.

Let me for a moment contrast the two systems. Time will not permit me to state in detail all the reasons for my judgment; I can deal with it only broadly. Capitalism in its origin as I understand it was individualism unrestrained. Communism in its origin was individualism absolutely throttled, choked.

Mr. MOTHERWELL: It is now, too.

Mr. LAWSON: Human nature, with its weaknesses, developed in the capitalistic system greed, avarice, acquisitiveness; so to meet that weakness in human nature governments from time to time, or the state if you will, legislated—legislated to restrain the full exercise of individualism; hence we have on our statute books what is sometimes called social or paternal legislation, such as old age pensions, workmen's compensation, mother's allowances and so on. Nevertheless capitalism with such restrictions still permits a degree of individualism, of initiative, of the exercise of

ability. Communism found that with individualism completely throttled and choked it could not survive. Initiative was gone, the will to accomplish, the desire of the workman to be a craftsman disappeared and there developed in Russia under that communistic system what I think has been best described by Maurice Hindus as, "Nichevo",—"I should worry." Machines were ruined carelessly, production was slowed down, desire for achievement and inititative, were lacking. To counteract that situation communism started a system of bonuses in the form of holidays and trips to the seashore. They found that would not work. Then they changed their whole system of equality of wages and started paying higher wages in certain trades. That has not worked except to a comparatively small degree. So you find this communistic system gradually drifting back to the inherent principle of capitalism, namely that human beings are not automata, that you must allow the exercise of individualism, must have incentive, must allow initiative and reward it.

One hon. gentleman speaking to-day mentioned something that I frequently hear discussed. They are constantly talking about the state creating corporations and conferring upon them special privileges. They talk about the creation of financial corporations. Do my hon. friends who are the accredited representatives of labour loose sight of the fact that in this democratic state we create the labour corporation, the labour union? We create the great corporation of labour, the labour unions, and we confer upon this corporation many special privileges, two of which come to my mind at the moment—collective bargaining and picketing. In picketing we legalize for the labour corporation that which would be an offence against our law as something amounting to a restraint of trade. So let us remember that governments, either of to-day or of the past, have not just existed for the purpose of creating great financial corporations.

My hon. friend from Bow River told us this afternoon of several incidents that occurred one morning in the Toronto police court. I do not represent the city of Toronto, nor is any part of it in my constituency, but for ten years in the practice of my profession I frequented the police court in that city. I have frequented that court in the not far distant past, and never have I found occurrences such as were outlined by the hon. member for Bow River. I grant you that in the past, before the days of our social legislation which provided for the aged, I have seen old men come up, charged at their own request with vagrancy and sent to the gaol farm, which is not so bad a place,—I have been there—indeed, on one occasion by mistake they locked me in with a prisoner, so I have some experience of the place. But let us not forget that the city of Toronto, supported financially by this government and by the government of the province of Ontario, provides hostel accommodation and shelter, and also makes provision in other ways for those who are in necessity and want. I do not say that it provides luxuriously, but it provides for those who are in want, and I say here and now that if the hon. member for Bow River will at any time tell me any incident of a man willing to work, brought into the Toronto police court and charged with vagrancy and sent to gaol for three months, I will promise to get that man out at my own expense—and it will not take long.

In the constituency I represent, some of those gentlemen who are speaking for the Co-operative Commonwealth Federation have been addressing the unemployed. And bear in mind, there are many of them in my constituency, so that I have just as good a knowledge of their condition and the privations they are suffering, as have hon. gentlemen who talk so much about them in this house. But in my constituency they talk with loud acclaim about the fact that not a man is unemployed in Russia. Well, I imagine it is true. But may I point out that unemployed Canadians in this country, under the relief arrangements made by reason of the payments in taxes of the people who are working and are earning—these unemployed men in this country to-day, I say, are better fed and better clothed, and live under just as good conditions as the average employed worker in Russia.

I said a few moments ago that I would refer to part of a speech on Russia delivered by the leader of this new social order in 1932. I shall do so now. That speech always stuck in my mind. The hon. gentleman was telling us of some of his experiences. He said:

> I will give a little illustration which I believe I have published somewhere and which I think is very illuminating. We were waiting at a street corner to allow the traffic to pass and a group of high school boys and girls, ranging in age from fourteen to sixteen years, passed, each one with a spade upon his or her shoulder. They were jollying one another and joking as high school youngsters will, and on inquiring where they were going I was told that this was their free day—they have one day free in five, although I believe in the last few months the plan has been altered in some industries where they now put in six days straight—and they were spending their holidays by giving

voluntary assistance to some particular state enterprise which was lagging behind its schedule.

I do not object to that; more credit to the boys and girls of Russia. But he continued:

Mr. Speaker, can you imagine a group of our high school boys and girls putting spades on their shoulders and starting off to tamp ties on the Canadian National railways? They might if we had such a plan. The fact remains that we lack that enthusiasm which seems to be so prevalent in Russia.

That speech stuck in my mind, and as the hon. gentleman uttered those words there occurred to me these few lines:

Breathes there the man, with soul so dead,
Who never to himself hath said,
This is my own, my native land!
Whose heart hath ne'er within him burn'd,
As home his footsteps he hath turn'd,
From wandering on a foreign strand!

In 1914 in this country we had boys just out of the high schools who shouldered, not spades but rifles, who offered to give up not their holidays but their lives in defence of this country and its institutions. We had young girls, some of them from homes of luxury and ease, who donned the uniform of voluntary nurses and went into our hospitals and made bandages and treated the wounded, living under conditions such as they had never been asked to put up with before. My hon. friend asks, Will you find Canadian high school boys and girls performing a service for Canada in the hour of necessity? I answer yes, a thousand times yes. And so good an opinion have I of the high school boys and girls of this country, of their intelligence and their ability to think, that I venture to say that when the opportunity is given them to express their views—because a great many of them will be of age by the next election—they will with one accord turn down this cooperative commonwealth proposition of communism for Canada.

My hon. friends sometimes lose sight of fundamental characteristics of human nature They seem to proceed on the assumption that all men are equal. That is a fallacy. Men are no more equal in mental capacity or moral fibre than they are in physical strength or stature.

Mr. IRVINE: Who ever said so?

Mr. LAWSON: I do not say that you have said so in so many words, but I do say that your reasoning is predicated upon that premise, and upon others equally fallacious which I could name. Now, I do not think that the capitalistic system is perfect. Just as we have had to make changes in the system in the past, sometimes by negotiation between capital and labour, sometimes by legislation of the state, so in my opinion we shall have to continue from time to time to make changes in the capitalistic economic system. But what I refuse to do is, willy nilly, without being convinced by sound argument and logic, to swap the devil I know for the devil I do not know. The aim of the capitalistic system, realizing as it does that all men are not equal, is to give to all men in this democratic country an equal opportunity to have the comforts of life, an equal opportunity to attain that which is best in life by the exercise of individualism, of initiative, of those qualities which raise man from the level at which he starts to the level he ultimately attains. May I suggest to some hon. members that because of the equal opportunities which have been given to us under capitalism there are many of us where we are today, in a much better position than we were a few years ago.

I stand for that system which will give equal opportunity. Communism has proved conclusively that it can make rich men poor but it has not provided one tittle of evidence that it can make the poor man richer. I am not interested in any economic system the object of which is to tear down, to make the rich man poor; but show me an economic system or a change in our present capitalistic system which will make richer the poor man in this country or give him an opportunity for a better and fuller life and I will support that change as forcibly and vehemently as I have tonight stood for the capitalistic system.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I have listened with great pleasure during the last forty minutes to the hon. member for West York (Mr. Lawson), having been interested not so much in what he said as in the adroitness and ability he displayed in trying to make the best of a bad case. His first statement was that the members in this corner of the house had no knowledge of fundamental principles. It is not necessary for me to say that if any hon. member or anyone in the country cares to look through Hansard for the last ten or twelve years he will find contradictions of the statement made by the hon. member. He is a clever debater, he is well liked by all of us, but he knew he had a bad case to defend, and, like the able lawyer he is, he started out to do the best he could. He spent much time in castigating the hon. member for Winnipeg North Centre (Mr. Woodsworth). The hon. member for Winnipeg North Centre need fear no

challenge in this house. He has his own record of which he need not be ashamed. Furthermore, he is looked upon by a large portion of the population of Canada as the greatest private member in this house, and I think that is the best compliment which could be paid to any hon. member.

The hon. member for West York attempted to criticize the Cooperative Commonwealth Federation. Knowing that he had no case to make against us, he started off with the wrong premises. He said that the federation was communism and that communism was the federation. I wonder if the hon. member knows that so far apart are these two that the hon. member for Winnipeg North Centre is being continually opposed by communists at the different elections. If the communist believed in the Cooperative Commonwealth Federation, he surely would not oppose the thing in which he believes. I think these facts fully answer the argument advanced by the hon. member for West York.

I might remind the house that two years ago this same hon. member was the father of a bill which would have given statutory power to certain individuals to charge those poor, unfortunate people who were forced to borrow money from them a rate of interest, with all charges, amounting to about eighteen per cent. That is something of which the hon. member for Winnipeg North Centre has never been guilty.

I was interested in reading yesterday a leading article in the Ottawa Citizen, written I might say before this debate commenced. I should like to quote a few lines, as follows:

> The vision of Canada's capacity to support a hundred million people, as Hon. H. H. Stevens pictured it recently, would become more real. At any rate, it would be seen that there is no need to submit to nationwide privation when the natural resources of Canada so far exceed the needs of the Canadian people.

And again:

> When the national policy of Canada is more along the lines of planned economy, with surveyors and engineers and accountants exercising more influence than speculators and financial promoters, the people of this country may look forward with more hope to the coming of the real commonwealth. After seeing Canada as the dominion land surveyors have seen it, there should be no denying of the true vision of Canada as a land of plenty.

As proof of the need for the debate which has taken place yesterday and today, I should like to quote from a statement made yesterday. I do this particularly for the benefit of the hon. member for West York. Speaking in the House of Lords on June 22, 1932, Lord Marley said:

> The capitalist system is tottering. Unfortunately we cannot be entirely detached because we are affected in the common smash . . . the difficulty of the system is how to consume the goods which the system is able to produce. The greatest danger in the world from the system is the danger that the only means of consuming these goods to an adequate extent is by another world war.

We were in a somewhat similar position in 1913. The war broke out and for a time saved the situation, because when all is said and done a war consumes the greatest amount of goods in a given time. There was a glut of goods at the time but the war got rid of them and to that extent saved the situation. However, in the long run debts were increased enormously and the aftermath of the war has been felt for some years in the extremely high taxes which the people have been called upon to pay in order to take care of the interest upon war bonds.

When I hear people talking about how to get out of this crisis, when I hear them saying that the only way is to work harder, produce more, save and consume less, I think of that well known character, the Reverend Malthus, who some one hundred and fifty years ago not only wrote but preached throughout the country that it was absolutely necessary to have disease and wars to take off the surplus population; that with the world as it was it was quite impossible for the people to be fed or clothed or looked after as to various necessities. That was quite possibly true in such an age of scarcity, but since then, as hon. members have pointed out, many forces have come to our assistance. We have had steam, the internal combustion engine and electricity. As has been pointed out in the last two days, we have passed from an age of scarcity one hundred and fifty years ago to an age of abundance today. Therefore, the solution which was suggested then, and perhaps entirely correctly, is quite out of date now, and the more we use antiquated remedies to try to cure the present crisis, the worse we shall make it. I quite agree with the statement made this evening by the hon. member for Wetaskiwin (Mr. Irvine) that in any cycle of time there never is sufficient money paid out in the cost of production of goods to enable the buying of the goods when they are put on the market. So many people think all that is wrong with our system is that some have too much and others have too little. That has something to do with the matter. The inequality of wealth has a good deal to do with the situation as we find it today, but it certainly has not everything. Even if we were able to equalize incomes, that would not

solve the problem; it would probably alleviate a certain amount of suffering, but we would still be up against the glut of goods that is being continually collected under the system.

Let us consider for a few minutes the signs of the times. I notice the hon. member for West York did not refer to the signs of the times, because if he had his argument would have been on very bad ground. First of all, we have to recognize the fact that we have poverty and plenty side by side, poverty in the fact that people cannot buy the things they want, and plenty in the fact that there are storehouses and wholesale houses full of goods wanting buyers. Then we have inequality of wealth. It is not necessary for me to go into that, because anyone who is familiar with the figures that were given by the hon. member for Bow River (Mr. Garland) yesterday, knows only three per cent of the people are in a position to pay income tax.

Again, the system is a debt creating system. I have yet to find the individual who can prove it is not. I think the hon. member for Southeast Grey (Miss Macphail) mentioned that last year municipalities defaulted to the extent of $45,000,000. If hon. members care to go to the trouble of writing to the bureau of statistics, they will find that if they take just the bank debts, railway debts, government—federal, provincial and municipal—debts, and certain industrial debts, they alone amount to about nine and a quarter billion dollars. Many economists consider that our interest bearing debts in this country amount to between $17,500,000,000 and $20,000,000,000. The present deflation, which is perhaps being felt more than any other, particularly with regard to agriculture, has had the effect of doubling and trebling debts. Even if it had only doubled debts; if by halving prices, we had doubled debts, it would be only fair to reverse that process and by doubling prices to halve debts. That would be fair to everyone.

Let us look at the railway situation. Our railways, whether privately or government owned, are close to a bankrupt condition. Never before in our history has the big private railway of Canada has its shares selling so low on the market. Why are our railways suffering so badly? We have only to look at our international trade to find that it has fallen down to less than one-half. We must recognize the fact that the railways depend a good deal on traffic coming not only from across the border, but also from across the oceans, and if you halve traffic coming into the country, you will halve such traffic on the railways. Budgets, whether provincial or federal, are not being balanced. I know full well that whoever happens to be in charge of federal or provincial administrations are doing their best—and I do not for a moment question their sincerity—to balance their budgets, but they are not able to do it.

As mentioned the other day by the hon. member for Macleod (Mr. Coote) the value of farm products has dropped no less than sixty per cent, and the total farm revenue has dropped during the last 3 years by $925,000,000.

I should like to put on record a few figures I had sent me the other day with regard to an average of five farms. They are so startling I think those who have not as close a knowledge of conditions in western Canada as they have of the east, may be interested in getting them. Five average farms were taken. It is true that these farms had one year been hailed out and one year dry, but otherwise they were good farms and in a good part of the country. The average acreage of those farms was 427 acres. The debt against each was $6,916. The debt and interest charges accumulated since 1929 amounted to $1,188.31. The crop this year was twenty-six and a half bushels an acre. Hon. members will agree that this is a very good return. The average total crop was 3,524 bushels. The total return from the crop this year per farm was $712.40. One would say: Well, possibly they would get along with that. Let us see where this revenue disappeared. The average payment to mortgage companies or owners per farm was $254.22. The average cash expenses, threshing, seed, twine, labour and taxes was $412.45. The average return from the crop left to the farmer for one year's food, clothing, fuel, running expenses and to pay debt was $45.73. Unless those farmers receive an average price of seventy cents per bushel basis Fort William on an average crop of an average grade, it will be impossible for them to pay their 1933 interest charges on the total debt plus cost of production, let alone any payments on principal. I put that on record because it is only a duplicate of what we find we are up against in many parts of Canada, and another reason we must look at this crisis in the serious way we should, and do more than parliament has done so far to remedy it.

We have the problem of inequality of income. I will hurry over the various reasons for that. We have the control of machinery, the appreciation of the machine going to the owners. That phase of the subject was enlarged upon this afternoon. We have the

effect of interest charges, the stock market exploitation, which was so ably pointed out by the hon. member for Labelle (Mr. Bourassa). We have financial control. I have not time to go into that, but every business man in the house knows what financial control means. Furthermore, as regards the mechanization of industry, although one might think it would not develop to any great extent in difficult times, I should like to point out that it is in these difficult times the mechanization of industry proceeds faster than ordinarily. Under the competitive system, the manufacturer who is going to sell goods has to cut down his cost price, and if he can find some way of cutting down his costs and his payroll by putting in labour saving machinery he will do it every time, and one cannot blame him under the present system. Therefore, we can fully expect in these difficult times, when manufacturers are at their wits' ends to know where to sell their goods, that they will make every possible use they can of the progress of mechanization. Our problem, it seems to me, is not to stop the machines from working, but to develop science and invention to the limit, and at the same time to find means of distributing the products of the machines. That is all we ask in the resolution now before the house. We are suggesting that the human being be put first, and the machine second; unforunately to-day the human-being often takes the second place.

We have to replace competition by cooperation. We have to distribute goods and services which to-day are certainly a glut on the market. The hon. member for Macleod (Mr. Coote) spoke very effectively yesterday on the control of prices through the control of money. If one takes the September bank statement of the years 1928 and 1932 he will find in them a contradiction of the statement that is so often made, that there is just as much money in the country now as there ever was. Comparison of those two statements will show that there is $584,000,000 less in loans owing to the banks to-day than four years ago, and that the bank deposits are less by $362,000,000. During that time I might add that the banks were able to put $7,000,000 into new buildings, and set aside $30,000,000 for reserves.

I am not going to take up the time of the house by going into details of how money to-day is written into existence through bookkeeping, and written out in a similar way, because that phase of the subject was ably covered yesterday by the hon. member for Macleod. I should like, however, to quote a terse statement by Professor Soddy of Oxford, who sums up the situation in a nutshell:

Another and most important fact to be emphasized, is that virtually all the money in the hands (or banking accounts) of the community originally came into existence in the form of loans from the banking system It can come from nowhere else, nor otherwise than as loans. This fact, which reverses all the old concepts of loans as money taken out of pre-existing deposits, is demonstrated fully in Major Douglas's works, and, in fact, has since been endorsed by Mr. McKenna, the chairman of the Midland bank. The order of procedure is as follows:

(1) Money is printed or written into existence by the banks:

(2) It enters circulation as a loan to somebody:

(3) It is then spent, and then becomes a "deposit" in the name of the receiver.

For the benefit of the hon. member for Northwest Toronto (Mr. MacNicol) and the hon. member for Wentworth (Mr. Wilson) who spoke this afternoon, and who I am sorry to say spent most of their time in criticizing this corner of the house rather than putting forward something constructive, and who were both particularly anxious to know what our policy was, I am going to put on record the proposed program of the Cooperative Commonwealth Federation, commonly known as the C.C.F. Their proposed program is as follows:

1. The establishment of a planned system of social economy for the production, distribution and exchange of all goods and services.
2. Socialization of the banking, credit and financial system of the country, together with the social ownership, development, operation and control of utilities and natural resources
3. Security of tenure for the farmer on his use-land and for the worker in his own home.
4. The retention and extension of all existing social legislation and facilities, with adequate provision for insurance against crop failure, illness, accident, old age and unemployment during the transition to the socialist state.
5. Equal economic and social opportunity without distinction of sex, nationality or religion.
6. Encouragement of all cooperative enterprises which are steps to the attainment of the cooperative commonwealth.
7. Socialization of all health services.
8. Federal government should accept responsibility for unemployment and tender suitable work or adequate maintenance.

Such a program naturally we would not expect to bring into effect overnight or in a year or two. It is an object to be aimed at, and if the program comes into effect within fifteen years it will represent greater progress than we have seen made in the last twenty or thirty years.

Before sitting down, I should like to state what I think are the five chief fears of mankind. First is the fear of the loss of work by those who have not otherwise the means to sustain themselves. Those, of course, who have purchasing power from other sources, if

they have no work, can enjoy themselves; we call that leisure; but for those who have no other means of subsistence, loss of work means enforced idleness.

Then we have the fear of poverty, and unfortunately we have only too many in this country today afflicted by that fear. It is not necessary for me to give the numbers, because they have been given before, but I am sorry to say that they are growing.

Then there is the fear of sickness. That is something that could be obviated. With the great numbers of medical men now in the field and the number of students going into our universities, we ought to be able through the aid of medical science to keep the health of our people at a higher level than that which prevails today. A doctor in Edmonton told me only the other day that doctors could not get a living because the paying was bad, and he thought no other medical students should be allowed to enter the universities. I would suggest that we can never have too many doctors so long as we have in this country sickness that can be cured or alleviated in any way.

Then we have the fear of debt, a fear which is probably worrying more people in this country today than ever before.

Lastly we have the fear of penury in old age.

These are the things, Mr. Speaker, that we are aiming to obviate in the future by gradually bringing into effect the policies which we have placed before the house. I should like to point out that apparently people in the old country are facing this problem perhaps a little more seriously than many in this country. It may be because they are facing greater economic stress. I would like to quote from one who has been mentioned before, Sir Basil Blackett, a director of the Bank of England, and a former controller of finance of the British treasury. He said:

> We are facing the possibility of a collapse which would compare in history only with what happened at the end of the Roman empire. In view of what we have done with currency and what currency has done with us in the last twenty years we are all fit for the lunatic asylum.

I commend that statement particularly, for his edification, to the hon. member for West York. If we had made that statement from this corner of the house I suppose he would have said: That is communism. But it comes from a director of the Bank of England.

In closing I want to say that I have no hesitation in supporting the resolution.

[Mr. Spencer.]

Mr. G. R. GEARY (South Toronto): Mr. Speaker, the resolution before the house is plain in its words. It states that:

> The government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

Like other members, I have been very much interested in the launching of this so-called Cooperative Commonwealth Federation. I observed the meetings, and I hear from those who addresed them, the leaders of the party, that they are well-pleased with the numbers of people who attended the meetings and the reception which the speakers received. That is hardly to be wondered at. People will go to hear something new. But one hears also from those who were at those meetings that after all nothing was advanced to them which seemed really to offer any solution of the difficulties under which we are at present labouring.

Feeling that interest, and noticing the resolution on the order paper, I looked forward with some interest to this debate. I expected that the arguments of those who were furthering the resolution would at least contain something definite in the way of description of the state to which they wished to attain. But I have looked for that in vain. True, we have heard the program related by the hon. member (Mr. Spencer) who has just sat down, and we have heard diatribes against capitalism. But for a definition of the cooperative commonwealth at which they aimed we are forced to look elsewhere. We find the term as part of the Marxian philosophy, part of the program of socialism as it was finally brought into being in Russia. That that is what is aimed at is, I think, borne out by the fact that there was brought forth the well-known socialistic argument that if this state cannot be arrived at by peaceful evolution then it would come about by revolution and force. So I am forced to the conclusion that what the proponents of this resolution hope for is the establishment here of a state such as we find today in Russia. I will not quarrel as to the means of bringing it about; one of the speakers has differentiated between their program and that of communism by saying that communism seeks to attain its ends by force—

Mr. SPEAKMAN: May I ask the hon. gentleman a question? He said it had been stated that in the event of this program not

being brought about by peaceful means, force might be used. Was that statement made by one of the speakers from this corner at any time?

Mr. GEARY: Yes, made yesterday during the course of this debate.

Mr. WOODSWORTH: Mr. Speaker, I think the hon. member ought to mention the one who made the statement.

Mr. MOORE (Chateauguay): You made it.

Mr. WOODSWORTH: Pardon me, I did not make it. I am sure the hon. member for South Toronto (Mr. Geary) will be fair in this.

Mr. MOORE (Chateauguay): You implied it if you did not make it.

Mr. WOODSWORTH: No. What I said was, if it were not brought about by peaceful means I feared—

Mr. MOORE (Chateauguay): Oh, you feared! What did you say in Edmonton?

Mr. GEARY: Mr. Speaker, I am in the judgment of Hansard. At page 1689 the hon. member is reported as follows:

> Well, if many take the position that we cannot do this thing constitutionally, and behind it is the threat that it will not be permitted to be done constitutionally, then none of us can answer as to what may actually take place.

I do not want to quibble over words, I am only saying that the well-known socialist argument has been advanced, and I deduce from that that what is sought is the establishment of a system similar to that which they have in Russia today. There is no other example today of anything approaching a cooperative commonwealth as set out by socialistic writers except what we find in Russia.

And the hon. member for Winnipeg North Centre, on the same page, just above the quotation which I have read, said:

> It may very well be that force may prove inevitable—

An hon. MEMBER: A threat.

Mr. GEARY: That is the proposal.

Mr. WOODSWORTH: No, Mr. Speaker. I have no objection whatever to my words being quoted, but I did not suggest that we would in any way bring about a revolution by force.

Mr. GEARY: I am only intimating, what is perfectly clear from the extracts I have read, that hon. members opposite take the view that if this is not brought about by peaceful evolution then it will come to pass by revolution and force.

Miss MACPHAIL: Yes, but not force by us.

Mr. GEARY: I am not saying that.

Miss MACPHAIL: You are inferring it.

Mr. GEARY: I am stating the facts.

Miss MACPHAIL: Some of your own people are saying the same thing.

Mr. GEARY: Putting the best construction on the conditions in Russia that one may, one favourable to the Russian situation, I ask you, sir, if by any possibility there can be in this country any feeling that our people, our proletariat so-called, our farmers, would be satisfied with the condition of things under which people are obliged to live in Russia? There is no other cooperative commonwealth suggested. I was looking for a definition; if there is any other my hon. friend, the member for Winnipeg North Centre will be able to indicate it in his reply. There was no looseness in the drafting of this resolution, because I looked back over the program that had been set out in Hansard, and I find that the same thing occurred there. Looking at page 1689, the hon. member for Winnipeg North Centre is reported as saying that the Independent Labour party believe in the establishment of a cooperative commonwealth, with production for use and not for profit as its economic basis. And further on on the same page, that the Cooperative Commonwealth Federation has on its program the bringing about of—

> —a federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the basic principle regulating production—

And so on. So that the resolution now before the house follows in terms exactly the program or platform of the Independent Labour party formed in 1921 and the Co-operative Commonwealth Federation of which we hear now for the first time.

In that view was not the interjection of the Prime Minister perfectly apposite? Does it not mean that if we are to adopt a system of a cooperative commonwealth such as they have in Russia, the only one proposed, we thereby scrap confederation and the constitu-

tion of this country? The observation was fully justified by the words of the resolution now before the house. It is a far cry, as the hon. member for Labelle (Mr. Bourassa) said, from such a resolution to one emphasizing the duty of citizens to work together and cooperate for the good of the state. With such an expression I would have no fault to find. I think it is our duty to work together, to do the best we can by united effort to lift the pall of depression which has fallen so densely upon the world and in a lesser degree upon this country of ours.

The hon. member for Winnipeg North Centre was good enough to say in closing that he trusted the discussion would not degenerate into a calling of names, but that on the other hand we would attempt to discuss seriously the principles which are at stake. May I say in all kindness that it is a pity the hon. member violated that sentiment before he gave it utterance. He does not advance his cause, nor do those who spoke after, or some of them; they rather cheapen it by levelling taunts such as were levelled at the Prime Minister of this country on matters that are purely personal. I resent that, as I would resent its being said of any hon member of this house. All I would say in passing is that the words of the hon. member in closing his speech were good. These words I hope we can follow, and discuss this matter on its merits and with a desire to elucidate some of the reasons for and against this action which is advocated.

My hon. friends advance a proposition. Now their business is to make that proposition good, and if they can make it good in this house or in the country they will have achieved their object. But they cannot make it good by deviating into attacks upon the house as a whole or upon individual members of it. As a matter of fact, the program as I read it is exactly the program of socialism as we find it in the United States. Hon. members opposite know the magazine The World Tomorrow, which is purely socialistic. Their program follows the program of the socialist organization over there, without deviation in essentials, and it is interesting to note that that magazine was very strongly behind Norman Thomas, the presidential candidate of the socialist party at the last election—apparently a fine citizen, an upstanding man of character and conviction. Probably the socialist party was never better led than it was at the last presidential election and if I remember rightly that party got fewer votes, relatively and absolutely, than it has received in any other presidential election.

Now my hon. friends disclaim, and of course I accept their word, any intention to capitalize the unrest of the country. Let me say to them however that they are doing so, perhaps unconsciously; nevertheless, this movement does look towards the capitalization of unrest, and you will find that, I judge, from the comments that have been made at these different meetings. However, let us pass that. I refer them to the speech—and his speeches are always eloquent—of the hon. member for Bow River, a speech that suffered somewhat from the same disability to which I referred earlier. It was a speech that consisted, I submit without argument, in a diatribe against capitalism, and I think that what the hon. member was aiming at was not capitalism under the capitalistic system in all its branches, but that part of it which has evinced itself in the plundering by a few of the public domain or treasury or the pockets of the people; and in common with all other members of the house, I would take no exception, I would offer no objection to a campaign that could be carried on to clip the wings, to destroy the power of those people who have, by manipulation of stock markets, by manipulation in the offices and not in the plants, destroyed the productive power and the very solvency of many of our best industries. I have many in my mind at the moment. They do not need repetition, but the fact remains, and I think you will find this side of the house, as you will that corner, allied with any effort to destroy the possibility of that sort of thing occurring again.

My hon. friend from Bow River—and this is really what brought me to my feet—instanced a case in the police court in Toronto. From his description of the man who sat on the bench I think I know the magistrate; but he narrated something that seems incredible. He gave it with the tone of one who was watching an executioner. Some poor devil came up and was asked a question or two and was given three months in gaol, and this he said went on hour after hour. I do not know much about the police courts; my practice does not happen to lie there; but I read of their proceedings and I have never heard of anything like that. I think my hon. friend has forgotten the circumstances to some extent. True it is that in some cases some poor destitute person comes before the court wanting shelter; he has asked during the night to be picked up—at any rate this was

the fact before we arranged matters better in Toronto—in order that he might be given warmth and shelter in one of the institutions, particularly the gaol farm near Toronto. Today however, under the honest and capable administration that exists in Toronto, our destitute are being taken care of in great numbers—the more's the pity—single men and married men and their families, and are receiving food and clothing and are given shelter. There has been no corruption. We get people not only from the city itself but many hundreds and thousands from outside; yet, with the aid of this government and the provincial government and our own treasury we have been able, I say with some pride, owing to the very careful and sympathetic administration of the resources entrusted to us, to take care of the destitute in the way I have described.

The proponent and supporters of this resolution went by very easy steps from the general determination to establish a cooperative commonwealth to certain measures which they thought this house should take under advisement at the moment. These I suppose are what are referred to in the resolution as the immediate steps which the government should take. My hon. friend from Winnipeg North Centre went immediately to "economic planning." I believe my hon. friend from Red Deer introduced that in this house last session or perhaps longer ago than that. From that the hon. member went to banking and credit, currency and inflation, and of these matters I wish to speak for a moment, because apparently they are steps which are to be taken at once in order to bring about the condition of affairs which my hon. friends have described as a cooperative commonwealth. Later there will be opportunity for discussing these questions in detail.

There is however one observation I desire to make with regard to credit. I gather from the speeches made that the credit aimed at, the credit which it is desired to establish, is some sort of credit administered practically directly by the government of this country, directed or administered by a body answerable to this House of Commons. If that means that individual cases of credit are to be handled directly or in the manner I have indicated as indirect, by this House of Commons, then I can say at once that I am opposed to it. All my life I have wanted to be able to step up to some wicket and hand in my note and say, "I want this much," and get it. But I can conceive of no rhyme or reason, nor will my hon. friends when they come to think of it, why the money of this country, any more than the money of private people, should be handed over except on recognized and proper principles of loan. If, on the other hand, what my hon. friends aim at is a central bank as established in some other countries, there is something to be said for it as well as something to be said against it. There will arise difficulties, because in Canada we have no money market, for instance. It would mean placing in the hands of selected bankers an expensive institution, and you would still be in the hands of those who are anathema to my hon. friend—the bankers. We have a system now. How well it works I cannot tell; I do not profess to say. Under the Finance Act there is a certain loosening of credit over and above the gold coverage. In any event that is not a matter in regard to which immediate steps can be taken. It is a matter that requires study and investigation by a committee or commission, or in some way, so that the arguments pro and con can be stated in the house in such a way as to enable the house to make up its mind on the question.

As to inflation, there are two kinds so far put before us. One is that suggested by the hon. member for Macleod (Mr. Coote) and, I think, the hon. member for Southeast Grey (Miss Macphail), which is simply the printing of money. If I remember rightly. the hon. member for Southeast Grey last year advanced this proposition—that we should build the St. Lawrence waterway; it would be expensive, but we could pay for it by bills freshly printed for the purpose. Yesterday the hon. member for Macleod said very much the same thing, and then proceeded to state how this money would be put into circulation. His proposal firstly was that a certain amount be given away, and secondly that we should use that money to build all sorts of public works and social enterprises and that sort of thing, most of which I do not think we need at the moment, and none of which we can afford.

With that sort of inflation we have this difficulty, which my hon. friends will recognize at once. If you inflate money you can buy in the end, with that inflated money, the same number of articles that you could have bought with the money as it stood at the price these articles then were. There may be stimulation for the moment; they expected it in Great Britain, but the results which they anticipated have proved to be entirely illusory; they have not received the benefits they hoped for. We would have the same result as far as internal trading is concerned, but if it was only an internal matter it would make no difference whether we printed dollar

bills, hundred dollar bills, wampum, or anything you like. If we simply traded our money within the boundaries of this country, all would be well and good; but it is when you come to deal with matters outside the country that you have to rearrange your thoughts.

The other method suggested was to tie up our currency to British sterling. Toward the end of last session the hon. member for Weyburn (Mr. Young) gave a very lucid and forceful address with regard to this matter, one which would bear re-reading by hon. members. But sterling is not stabilized, it is often subject to the raids of speculators. During the last four weeks it has risen twenty-five points and we cannot anticipate what raids will be made by continental countries; it may be forced down to a point lower than it was four weeks ago. Sterling is subject to constant raids by continental financiers, and if we tied to sterling we would be tying to something unstable commercially. If we tied to sterling we would have to consider the matter of balancing the benefits against the cost. This country has been hard hit by a depreciated currency because it is a producer of primary products, but on the other hand Canada is a great debtor and unfortunately the substantial part of our indebtedness rests in the United States.

Miss MACPHAIL: Does the hon. member mean that this country is particularly hard hit by a depreciated currency or by lack of a depreciated currency?

Mr. GEARY: By the depreciated currency on the other side. All countries that are primary producers are naturally in the same position. My hon. friends from the west who grow wheat instance this fact very cogently by stating that for the pound sterling they get so many fewer dollars then they used to, and they cannot buy upon the same basis. I think there is a great deal to be said for that contention, not in trading within the country but rather in the payment of debts. When we come to the resolution sponsored by the hon. member for Red Deer (Mr. Speakman) we shall have an opportunity of discussing this matter in detail.

To my mind there is no sense in inflation qua inflation, but there is a great deal to be said both for and against the present situation with regard to debts. If there be a sound method of dealing with the question of debts, we should seek it, but we should not seek to remedy that situation by unsound methods.



What I am really getting at in my cursory discussion of these principles of finance and currency is that this question is largely international. From the other side of the house we hear again and again of the interdependence of this country, that we cannot be an economic unit, that we cannot trade within our own borders, that we must seek for greater opportunities for trade, both within the empire and in other directions. Trade must be increased, but if you are going to trade with any country you must be able to conduct that trade on a system of exchange which is somewhat stable. The whole question of the stability of money is wrapped up with the question of the stability of exchange, which in turn is wrapped up with the question of international trade. We are to have a conference to discuss these very matters, and it seems to me that we would be most ill advised to make a drastic change in our currency at the present moment and to go to that economic conference with some system at which we had jumped or guessed.

It is all so easy to say that we can pay our debts by printing so much money, that we can build this work or that by printing so much money, that we can obtain advantages by depreciating our currency—if we can do it so can other countries. If it is so easy I wonder that it has not been done all over the world. Does anyone think that the Prime Minister of this country, the cabinet or the legislators in this house have any desire to do anything but what is best for the country? Surely that must not be suggested; it should not be suggested that proposals are rejected only out of some spirit of stubbornness.

Mr. MACKENZIE (Vancouver): Or perversity.

Mr. GEARY: Anything you like. Men of sense, men of discrimination and men of experience in business are doing their very best, and if they cannot agree with hon. members in the far corner, they should at least be given the credit of doing their best according to their lights and ability. They are seeking to remedy the situation.

Miss MACPHAIL: I have always said that it is the light that is wrong.

Mr. GEARY: To give my hon. friend credit, she is shedding just as much light as she knows how, but just how much she knows, I do not know.

Miss MACPHAIL: It is a little better than the Prime Minister's, and that is something.

Mr. GEARY: If my hon. friend wants to carry on a personal war, that is none of my

business. I am dealing with an international situation. My hon. friends have filled pages of Hansard with quotations, and may I say, again in all kindliness, that I do not think they get anywhere with such methods. To me a quotation is absolutely nothing unless I know the context, the local background, and the reasoning which has led the author to the conclusion cited. I fancy that if I dug into books on economy I could find quotations which would be diametrically opposed to each and every one advanced in this debate by my hon. friends. However, if they will examine the quotations which they have placed on Hansard during this debate I think they will find that without exception they are predicated upon a proper international system having been found and adopted.

I have directed my observations largely to this point; that as far as monetary systems go, we are interdependent. Each country is so tied up with other countries in trade that we are dependent upon the facilities provided for exchange. We can not go on our own, and we would be most ill advised to do anything of the sort. If we are able to get a full, frank and free discussion of this matter at the coming conference, it is more likely that the qeustion will be solved there than by anything adopted by this chamber and having a relation only to the bounds of this country.

Hon. gentlemen say: what is to be done? We have one problem of our own which is costing us an enormous amount of money—the Canadian National Railways. That is a matter immediately to our hand. There is also the one I mentioned a little while ago, the control of those who have plundered by their manipulations of the stock market. As the hon. member for Labelle has said, we have not exercised the forces of the law in that regard as much as they have in England. That is a matter ready to our hand.

There is also another vast problem to be solved, that of war debts and reparations. Reparations would not exist if war debts could be abolished. Reparations would be done away with if creditors would do away with war debts. If war debts were abolished there would be a great effect upon the morale of the people of the world. There would be a restoration of confidence and an abolition of fear which would go a long way towards setting this world once more upon the road to recovery.

These observations are not intended to be a discussion as close as one would like to make it of matters still to come up, but I say once more that if we approach this question in the spirit eulogized this afternoon by the hon. member for Labelle, that of cooperation, that of getting together, that of putting our shoulders to the wheel and recognizing the difficulties under which we labour, then surely out of the united wisdom of this house will come measures which will react to the benefit of this country and probably lead us out of our difficulties.

Before I resume my seat I should like to say that the discussion in this house of the conditions prevailing throughout the country is not without bad effect. As long as we are moderate, reasonable and accurate in what we say with regard to conditions, I suppose no harm can be done. But it should be remembered that this country is not so badly off as many others. I believe, and I think other hon. members do also, that given a chance Canada will find her way out more quickly than any other country provided she has wise and proper guidance. If this country does not think the guidance it is receiving, the direction it has at the present moment, is right, the remedy lies with the house, with the electorate. Personally I earnestly feel that the government can not succumb at this moment to the temptations that beset it in regard to currency. It could popularize itself to many unthinking people by yielding to the clamour of some groups or members, but it will not do that unless it thinks it is right. I believe the government has a quality which must carry the admiration of the house in that it is strong and courageous, that it believes its principles and its policies are right, and that it will hew to the line, let the chips fall where they may; that it will pursue the course which in its wisdom it deems best for this country, and that in its deliberations and acts it will have regard for one thing only, that which is in the best and highest interests of Canada.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I congratulate the last speaker (Mr. Geary) upon his well reasoned and moderate speech. I should like to take a few minutes to explain briefly the vote that I propose to give upon this subject. I had thought this matter was going to be treated, as we so often treat these resolutions, in an academic spirit, and that it would be ultimately possibly withdrawn or shelved, affording a very useful opportunity for hon. members to express their views on the situation as it presents itself to them. But I understand that the matter is going to a vote and I am confronted with the necessity of voting yes or no on the resolution before us.

This is not a question of condemning the government for their alleged misdeeds or of applauding them for what they have done; it simply stands by itself. But in that connection I must pay some attention to the statement of the Prime Minister (Mr. Bennett), when he spoke as follows:

> What the government is trying to do is to hold together this country—to maintain its financial and industrial integrity.

When a man in the position of the Prime Minister of Canada, with the opportunities for information he possesses and must possess, uses language like that, and says further—

> We are dangerously near the limit of this country to pay additional taxes.

—we must all pay heed and give credence to the situation as he there outlines it. There are thousands, yes, probably hundreds of thousands of people in Canada today, who, if given an opportunity tomorrow would vote for this resolution. They would vote for it as it is, not because they understand it. If they do understand it, it is not because it has ever been explained to them. They would vote for it merely as an expression of their dissatisfaction, disgust, if you like, with existing conditions, and turning to any port in a storm, they would take the only means presented to them to express that dissatisfaction. The resolution is calculated to create, let us say, a vast political cave of Adullam. We are told in Scripture that David went down into the cave of Adullam, and there resorted unto him every one that was in distress, every one that was in debt and every one that was discontented. Can we get a better epitome of the situation as it is in Canada today?

This resolution is extremely comprehensive, and that is at once its strength and its weakness, its appeal and its danger. It is comprehensive enough to take in anybody and everybody. The prince and the pauper can find a common footing. The millionaire, disgusted because he has lost one-third of his millions, and the man in the breadline who has lost his all, are equally welcome, and can find common ground for entering this political cave. Conservative and communist are alike welcome. A disillusioned workingman can meet there the millionaire or the disappointed political grafter who is turning against the party that he formerly supported. They can all meet and they will all be welcome in this political cave of Adullam.

But is it wise for us at this time to adopt the attitude of a wounded animal, which, injured by he knows not what, blindly kicks out or bites at the nearest object within his reach? I know, of course we all know, how wide is the distress in Canada, and that the existing discontent is general and entirely justified. It would be idle to deny that. I shall admit further that the workman and the farmer have too long been the victims of the moneyed and manufacturing interests of Canada, and there is ground for saying that it is about time this condition changed. But will it improve the general condition of Canada to create another tyranny, somewhat similar, another class government, of course a somewhat different one from the system under whose sway we have been so long? I hardly think so.

The hon. member for Labelle (Mr. Bourassa) this afternoon suggested more co-operation. Suppose we try something along that line before we go to the extreme of a cooperative commonwealth. Let us adopt a national government. We have had precedents for that in many countries throughout the world. Let us forget party politics and get together the best men on both sides. There are many things that readily suggest themselves that can be done to improve existing conditions, but I have not time to deal with them all. Last year the Secretary of State (Mr. Cahan) said, I believe—and if I am wrong I apologize—that no law could be framed to prevent the watering of stock. That is nonsense. A system could easily be found that would pass on every issue of stock by every corporation, and if it were found there was watering of stock to an improper extent at the expense of ignorant buyers, we could refuse to allow it to be issued. That evil and a very great one, could be easily checked.

Mr. BENNETT: I do not think the Secretary of State put it in those words. In fairness to him, I think he said that there was no law to prevent people from buying watered stock, because they could buy it if they wanted to do so.

Mr. NEILL: If I am wrong, I withdraw the statement, but I certainly had the impression he said there was no way by which it could be prevented. However, if it were not offered for sale, of course people could not buy it. What brought ruin to many a poor and many a rich man in 1929 was the collapse of the stock market. That could largely have been prevented in its most disastrous effects by forbidding gambling on margin, which was the cause of impoverishing many people. I need not go into that, because it would take too long.

We could inaugurate a system of unemployment insurance of far-reaching effect, not

attempting to deal with conditions today, because that would be hopeless, but looking toward the future. Let us do the Joseph act reported in Scripture: in the years of plenty he created reserves against years of want. These things could be brought forward and adopted without upsetting our whole fiscal system, and I do not find them in what I have gathered of the program of the cooperative commonwealth. I have to vote either yes or no on this question, and I find that if we pass the resolution, the house and the government will be bound immediately—note that, immediately—to take measures looking to the setting up of a cooperative commonwealth. Are we really prepared to do this, or shall we vote for it only because we think it is popular at the moment?

If I vote for it, I am in all honesty committed to it. I have to go home and explain it to my people, but I do not understand it because it has never been definitely explained to me and I doubt very much whether the leaders of the party could explain it in the language that would cover the whole ground. It is entirely too vague for my purpose and taste. It suffices not to turn aside pertinent questions such as the Prime Minister asked this afternoon when he pointed out that the nationalization of land was a provincial matter. It will not do to pass that off as a detail. These things are part and parcel of what we are asked to vote for and we ought to know them.

I wonder what would be the first six things they would do if they got into power? Or let us ask, even the first two? The hon. member for Battle River (Mr. Spencer) read out a partial program but it was only a suggested proposal he gave and I have a somewhat different program I took from a newspaper. He was the first man in the debate who gave anything tangible to go upon, and he stated even what he suggested might not come within the scope of practical politics for the next fifteen years.

One of the first things suggested is the abolition of money, at least of all such as we must have if we want to trade with foreign nations. Perhaps that is an excessive statement, but that is the spirit of it. The money that would be created, in the sense I understand their proposals, would be of little use outside Canada.

Then there is the nationalization of land. Do we realize what that means? From every man who has a home which he has hewed out of the wilderness or a house built in town, his property is to be taken away. These farms and houses pay heavy taxes at present to keep up the respective governments; who is going to pay them in future? I wonder. Let us grasp the idea: this means all land, and in addition we are to have nationalization of industry, because you have to go the whole hog. I have to ask myself do I realize all that that involves? Am I prepared to vote for that?

Then we come to another feature: Production for use and not for profit. I have not time to deal with that, but that means simply Russia and nothing else. I do not agree with the hon. member for West York (Mr. Lawson) when he says that the whole thing is communism; he seeks to damn it for political reasons. There is good in the cooperative commonwealth program, but that particular feature of it is communism pure and simple. There is no question about that; it cannot be explained in any other way. It is not socialism: it is communism, with all that it involves, because you have to take it all, and we are being asked to put it into force today or tomorrow. I know that it would be popular with many people in my constituency if I voted for the resolution, because it has a sort of specious appeal, but I have a responsibility to those people, not to look behind, but to look ahead. These working men trusted me. They gave me the opportunity to come here and educate myself in these matters, to see and learn and observe. They gave me the time and the opportunity, and they would demand foresight on my part and can hold me responsible if I were to catch at the passing fancy of a moment and then go back to them and say: I have landed you in something the end of which I can only guess. I am responsible to them, and I accept my responsibility. I shudder to think of the condemnation that would be my just guerdon if I took a step that I felt might end in disaster and make their condition far worse than it is now, if that be possible, and it is.

I do not think I can be accused of favouring capitalism. My record in this house, I think I can safely say, has been one of radicalism. I have supported and am willing to go to considerable lengths in supporting old age pensions, unemployment insurance, health and other social legislation. I would go further than we have done, but I must have a clear vision of where we are going. I want to know where it is going to land before I start the rock rolling down the mountainside, and I cannot see where we are going under this program. I do not know and I have not been told what benefits it would really confer.

The hon. member for Bow River (Mr. Garland), in his able speech, made, not an argument, but perhaps the very best appeal, although a specious one. His appeal was this, that the two great parties have failed to produce anything better, that their system has failed, so let us now try this. It is a plausible argument; I do not know that it is a sound one. He says in effect: You have made a mess of things, and so now try our policy, which has at least the merit of being new and untried. That is all the merit it has, and newness and untriedness is not always the very best recommendation in these days. When we are in deadly economic peril, in which all of us are involved—for the man in the bread line and the Prime Minister with all his wealth have just the same thing at stake, their all, and if we go down we will all go down in one common catastrophe—it is not the time for rash experiments by well-meaning theorists, undoubtedly with the best intentions, but lacking experience and cohesion. How long could a combination of farmers who essentially must believe in dear food and cheap labour coalesce with the labour party who must in the very nature of things believe in cheap food and high wages? And when we see the deep anxiety of the Finance minister as to whether he can make ends meet and make his budget balance, is it wise to give out to the financial world that we are contemplating going along this path, this new and untried path, a path on which we cannot even see around the nearest corner, a path whose main recommendation is that it is new and untried? Are these the days and these the times to go into things such as that? I am under no obligation to either great party in this house and could readily give my support to any scheme that seemed to offer a reasonable hope of a workable measure of reform. But like the man from Missouri I must be shown. If I cannot see the distant scene and ultimate benefit, I must surely be shown some benefit in the immediate future, and until I see that, and something more, at least the promise of some permanent benefit, I shall be somewhat reluctantly compelled to vote against the resolution.

Mr. ANDERSON (Halton): I would ask you to call it eleven o'clock, Mr. Speaker,

## ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: Tomorrow is government day, and we propose to go into supply, on trade and commerce estimates. We were in supply on trade and commerce once this session, and we should be able to take them on Friday, but if there is any question as to that, we can do so by consent. I do not know whether it was ever contemplated when the rule was made that once being in supply in the session you may go into supply any day with respect to those items. We were in supply this session already on the trade and commerce items in the supplementary estimates.

Mr. MACKENIE KING: Have any other departments besides trade and commerce been in supply this session?

Mr. BENNETT: Yes, the right hon. gentleman may remember moving an amendment on going into supply in connection with agriculture, and a point of order was raised whether its subject matter had not been covered by the debate on the address. The debate continued for two days and was concluded on the third, when we went into supply and took four or five departments. Perhaps the right hon. gentleman will remember that we took pensions and national health, trade and commerce, civil government, and there was one other, if my memory serves me.

Mr. MACKENZIE KING: The proposal is to go on with trade and commerce estimates tomorrow?

Mr. BENNETT: Yes.

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

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# Friday, February 3, 1933

The house met at three o'clock.

## SELECT STANDING COMMITTEES

Hon. E. N. RHODES (Minister of Finance) presented the report of the special committee appointed to prepare and report lists of members to compose the select standing committees of the house, as follows:

### PRIVILEGES AND ELECTIONS

Messieurs

Anderson (Toronto-High Park),
Beaubien,
Burns,
Casgrain,
Casselman,
Duff,
Elliott,
Esling,
Gagnon,
Gray,
Guthrie,
Hanson (York-Sunbury),
Jacobs,
Kennedy (Peace River),
Lapointe,
Lawson,
Lennox,
Macdonald (South Cape Breton),
MacNicol,
Marcil,
McPhee,
Mercier (St. Henri),
Mitchell,
Morand,
Ralston,
Stinson,
Sullivan,
Thompson (East Simcoe),
Turnbull.—29.

(Quorum 10)

## RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs

Ahearn,
Anderson (Toronto-High Park),
Beaubier,
Bell (West Hamilton),
Beynon,
Bothwell,
Bradette,
Bury,
Butcher,
Cantley,
Casgrain,
Casselman,
Chevrier,
Dorion,
Dubuc,
Dupré,
Edwards,
Esling,
Fiset, Sir Eugène,
Fraser (Cariboo),
Gardiner,
Geary,
Hackett,
Hanbury,
Hanson (Skeena),
Harris,
Heaps,
Jones,
Kennedy (Peace River),
Lacroix,
Laurin,
Macdonald (Kings, P.E.I.),
MacMillan,
McGibbon,
McIntosh,
McLure,
Manion,
Mercier (Laurier-Outremont),
Moore (Ontario),
Nicholson,
Pouliot,
Price,
Rogers,
Ross,
Ryerson,
St-Père,
Sanderson,
Séguin,
Shaver,
Simpson (West Algoma),
Smith (Cumberland),
Speakman,
Stewart (West Edmonton),
Stitt (Nelson),
Totzke,
Turnbull,
Urquhart,
Vallance,
White (London),
White (Mount Royal).—60.

(Quorum 20)

## MISCELLANEOUS PRIVATE BILLS

Messieurs

Ahearn,
Anderson (Halton).
Arsenault,
Barber,
Barrette,
Bell (St. Antoine),
Bowen,
Brown,
Chaplin,
Chevrier,
Cowan (Long Lake),
Denis,
Deslauriers,
Duff,
Dumaine,
Dupré,
Dupuis,
Edwards,
Ernst,
Fournier,
Gobeil,
Golding,
Gott,
Hall,
Irvine,
Kennedy (Winnipeg South Centre),
Laflèche,
Larue,
Lawson,
Luchkovich,
MacInnis,
Mackenzie (Vancouver Centre),
McDade,
McGregor,
Maloney,
Mercier (Laurier-Outremont),
Mitchell,
Moore (Ontario),
Myers,
Peck,
Pettit,
Raymond,
Sanderson,
Séguin,
Spence,
Stinson,
Sullivan,
Tummon,
Verville,
Wilson.—50.

(Quorum 15)

## STANDING ORDERS

Messieurs

Arthurs,
Baker,
Bell (West Hamilton),
Bell (St. Antoine),
Blair,
Bury,
Cahan,
Deslauriers,
Fontaine,
Fraser (Northumberland, O.),
Hay,
LaVergne,
Luchkovich,
McKenzie (Assiniboia),
Mercier (St. Henri),
Munn,
Plunkett,
Rowe,
Thompson (Lanark),
Woodsworth.—20.

(Quorum 8)

## PRINTING

(Members to act on the part of the Commons)

Messieurs

Anderson (Halton),
Baribeau,
Bélec,
Boulanger,
Bourgeois,
Brasset,
Charters,
Desrochers,
Dubois,
Embury,
Esling,
Factor,
Fortin,
Girouard,
Gott,
Gray,
Hay,
Heaps,
Howden,
Lucas,
MacLean,
Maloney,
Marcil,
Matthews,
McKenzie (Assiniboia),
McLure,
Moore (Chateauguay-Huntingdon),
Munn,
Murphy,
Parent,
Peck,
Perras,
Pickel,
Porteous,
Price,
Quinn,
Rhéaume,
Rinfret,
Roberge,
Robinson,
Rowe,
Ryerson,
St-Père,
Short,
Simpson (North Simcoe),
Spankie,
Spencer,
Spotton,
Taylor,
Tétreault,
Verville,
Wilson,
Woodsworth,
Wright.—54.

## PUBLIC ACCOUNTS

Messieurs

Anderson (Halton),
Arthurs,
Beaubien,
Beaubier,
Bell (West Hamilton),
Bothwell,
Bourgeois,
Cahan,
Coote,
Cowan (Long Lake),
Cowan (Port Arthur-Thunder Bay),
Davies,
Donnelly,
Dubuc,
Duff,
Dumaine,
Duranleau,
Edwards,
Embury,
Fournier,
Fraser (Cariboo),
Fraser (Northumberland, O.),
Gagnon,
Garland (Carleton),
Geary,
Girouard,
Hanson (York-Sunbury),
Ilsley,
Jacobs,
Lennox,
MacDonald (South Cape Breton),
Mackenzie (Vancouver Centre),
Macphail, Miss,
Perras,
Pouliot,
Power,
Ralston,
Rhodes,
Robinson,
Ross,
Rutherford,
Smith (Cumberland),

Smith (Victoria-Carleton), Smoke, Speakman, Stanley, Stewart (Leeds), Swanston, Taylor, Willis.—50.

(Quorum 15)

## BANKING AND COMMERCE

Messieurs

Arthurs, Baker, Beynon, Bothwell, Bowman, Campbell, Casgrain, Chaplin, Donnelly, Dorion, Ernst, Euler, Fafard, Gagnon, Ganong, Geary, Hackett, Hanson (York-Sunbury), Harris, Hepburn, Howard, Hurtubise, Irvine, Jacobs, Lapointe, Laurin, Lawson, Mackenzie (Vancouver Centre), MacMillan, Matthews, McGibbon, McPhee, Mercier (St. Henri), Peck, Perley (Qu'Appelle), Pettit, Power, Ralston, Raymond, Rhodes, Robinson, Sanderson, Smoke, Spencer, Stanley, Stevens, Sullivan, Vallance, White (Mount Royal), Willis.—50.

(Quorum 15)

## AGRICULTURE AND COLONIZATION

Messieurs

Barber, Bertrand, Blair, Bowman, Bouchard, Boulanger, Bowen, Boyes, Brown, Burns, Campbell, Carmichael, Cayley, Coote, Davies, Donnelly, Dubuc, Dupuis, Elliott, Fafard, Garland (Bow River), Gobeil, Gott, Goulet, Hall, Hay, Jones, Loucks, Lucas, McGillis, McKenzie (Assiniboia), McPhee, Moore (Chateauguay-Huntingdon), Motherwell, Mullins, Myers, Perley (Qu'Appelle), Pickel, Porteous, Rowe, Sauvé, Séguin, Senn, Shaver, Simpson (North Simcoe), Smith (Victoria-Carleton), Spotton, Sproule, Stewart (Lethbridge), Stirling, Swanston, Taylor, Thompson (Lanark), Totzke, Tummon, Vallance, Weese, Weir (Melfort), Weir (Macdonald), Young.—60.

(Quorum 20)

## MARINE AND FISHERIES

Messieurs

Baribeau, Barrette, Beaubien, Black (Halifax), Brasset, Cantley, Cardin, Dickie, Duff, Duranleau, Ernst, Ganong, Hanson (Skeena), Ilsley, Jean, Johnstone, Larue, MacDonald (South Cape Breton), Macdonald (Kings, P.E.I.), MacInnis, MacLean, McDade, McLure, Neill, Pouliot, Plunkett, Price, Quinn, Reid, Ross, Short, Speakman, Stitt (Selkirk), Urquhart, Veniot.—35.

(Quorum 10)

## MINES, FORESTS AND WATERS

Messieurs

Beaubien, Bélec, Bell (St. John-Albert), Beynon, Bowman, Bradette, Cotnam, Cowan (Port Arthur-Thunder Bay), Denis, Desrochers, Dickie, Duguay, Esling, Fraser (Northumberland, O.), Garland (Bow River), Gershaw, Gordon, Hurtubise, Ilsley, Johnstone, Kennedy (Peace River), Macdougall, Mitchell, Mullins, Nicholson, Parent, Plunkett, Roberge, Simpson (West Algoma), Smith (Cumberland), Stewart (West Edmonton), Stewart (Lethbridge), Stitt (Nelson), Tétreault, Weir (Macdonald).—35.

(Quorum 10)

## INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs

Arsenault, Bell (St. Antoine), Bell (St. John-Albert), Black (Halifax), Bourassa, Ferland, Golding, Gordon, Hackett, Heenan, Howard, Jean, Johnstone, Kennedy (Winnipeg South Centre), Lacroix, Macdougall, MacNicol, Macphail, Miss Matthews, McGibbon, McIntosh, Morand, Neill, Nicholson, Parent, Perley, Sir George, Reid, St-Père, Stanley, Stitt (Selkirk), Turnbull, Veniot, White (London), Woodsworth, Wright.—35.

(Quorum 10)

## OFFICIAL REPORT OF DEBATES

Messieurs

| | |
|---|---|
| Bouchard, | Rinfret, |
| Coote, | Rogers, |
| Esling, | Stirling, |
| Laflèche, | Sutherland, |
| Macdougall, | Wilson, |
| Marcil, | Young.—12. |

(Quorum 7)

## LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs

| | |
|---|---|
| Barber, | Laflèche, |
| Bertrand, | Larue, |
| Bourassa, | LaVergne, |
| Boyes, | MacMillan, |
| Butcher, | McGillis, |
| Carmichael, | McGregor, |
| Charters, | McIntosh, |
| Chevrier, | Marcil, |
| Cotnam, | Peck, |
| Dubois, | Perley, Sir George, |
| Dupuis, | Pouliot, |
| Factor, | Quinn, |
| Ferland, | Rhéaume, |
| Fontaine, | Short, |
| Fortin, | Smoke, |
| Fraser (Cariboo), | Stirling, |
| Gagnon, | Thauvette, |
| Girouard, | Thompson |
| Guthrie, | (East Simcoe), |
| Hepburn, | Thompson (Lanark), |
| Irvine, | White (London), |
| Jones, | Wright.—44. |

## PARLIAMENTARY RESTAURANT

(Members to act on the part of the Commons)
Mr. Speaker and Messieurs

| | |
|---|---|
| Ahearn, | Laflèche, |
| Barrette, | Macphail, Miss, |
| Black (Halifax), | Mullins, |
| Bourassa, | Ryerson, |
| Carmichael, | Senn, |
| Cayley, | Spankie, |
| Garland (Carleton), | Spence, |
| Hanbury, | Sproule, |
| Howard, | Thauvette.—20. |
| Howden, | |

Mr. RHODES moved that the report be concurred in.

Motion agreed to.

## POWERS OF COMMITTEES

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

That the select standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

## REDISTRIBUTION BILL

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

That the name of Mr. Cotnam be substituted for that of Mr. Manion on the special committee appointed to consider and report upon Bill No. 2, an Act to Readjust the Representation of the House of Commons.

Motion agreed to.

## CANADA GRAIN ACT

On the orders of the day:

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of Trade and Commerce whether it is still the intention of the government to bring down certain amendments to the Grain Act, as previously announced, more particularly that with respect to the separate grading of garnet wheat.

Hon. H. H. STEVENS (Minister of Trade and Commerce): It is not thought desirable that any revision of the Grain Act should be proceeded with, and the information that we have secured is not considered completely satisfactory to warrant our proceeding with the particular item referred to.

## BUSINESS OF THE HOUSE

### CONSIDERATION OF ESTIMATES ON THURSDAY AND FRIDAY—TEN PER CENT DEDUCTION FROM CIVIL SERVICE SALARIES

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister whether his understanding is the same as my own with respect to the taking up of estimates on Thursday and Friday. I understood last night that the Prime Minister wished to proceed to-day with the estimates of the Department of Trade and Commerce and expressed the view that that might have to be by consent. Let me say at once that so far as the official opposition is concerned we are quite agreeable to proceeding to-day with the estimates of that department by consent. My inquiry at the moment is as to whether it will be necessary or not for the estimates of all other departments to be taken up in committee of supply on a Monday, Tuesday or Wednesday before they can be taken up, except by consent, on Thursday or Friday. I believe that last night, from his remarks, the Prime Minister may have had in mind that the house having taken up in supply some supplementary estimates of the fiscal year 1932-33, we might be considered as having already entered upon the estimates of these particular departments. My reading of the

rule is that unless a department has had its estimates gone into before a Thursday or Friday, it cannot, except by consent, have its estimates considered on a Thursday or Friday, and that this applies to the main estimates of the session and not to supplementary estimates pertaining to a previous fiscal year. If there is any doubt about this, perhaps His Honour the Speaker would give a ruling on the matter.

Right Hon. R. B. BENNETT (Prime Minister): It was because I was somewhat uncertain about the matter myself that I mentioned it last night as I did. Had it not been for that uncertainty it would have been unnecessary to have brought it to the attention of the house. The fact is that this house as at present constituted has already resolved itself into committee of supply and that committee of supply has considered the estimates of several of the departments, including Trade and Commerce. It is equally true that the estimates considered were supplementary estimates for the fiscal year ending March 31, 1933, and I was somewhat uncertain as to whether, reading the rule, you could not technically say that the obligation had been discharged when the house was in committee on the estimates of any department on Thursday and Friday, as in fact was the case. It is true that in the early days of this session we passed a motion suspending the operation of the rules, whereby it became possible to have every day regarded as a government day. That is clear. I think it would probably be the sense of the house that it would be a more equitable observance of the rule if we treated the supply that was granted, by referring the items of several departments to the committee, on supplementary estimates, as not having reference to the main estimates. That would strike me as the more equitable view; if I were in the opposition I would take that view. That is the reason I mentioned it last night as I did, and by consent we will take up Trade and Commerce and observe the rule hereafter as though the supplementary estimates had not comprised the estimates of any department that had to be referred to the committee for the fiscal year ending March 31, 1934.

Mr. MACKENZIE KING: That is entirely satisfactory. My impression is that, at the time the house passed the resolution to which my right hon. friend has referred, a reservation of the kind mentioned was made by the opposition. There is one other point which I should like to have understood between us before we discuss the estimates of the Department of Trade and Commerce. It is the same point that arose last year with respect to the ten per cent deduction from the salaries of the civil service. As hon. members will have noticed by the estimates, apparently the intention is to continue the ten per cent deduction this year, though I understood last year from the government that the deduction was to be for one year only, and that it would not apply to the present year. I am not raising that point at the moment however. My question now is whether the government should not in the first instance introduce its bill, authorizing the ten per cent deduction and let us settle the matter of principle, which will be necessary on the bill, rather than attempt to settle it item by item as we discuss the estimates.

Mr. BENNETT: It is not proposed to vote in the aggregate a sum greater than ninety per cent of what the figure heretofore has been. It will be observed that at the end of each item a deduction of ten per cent is made, so that the vote will be only for ninety per cent of the salaries as they were prior to last year. That is my understanding of the situation after the discussion I have had with the Minister of Finance (Mr. Rhodes). I cannot see that it will make any difference inasmuch as the amount available under the action of the committee for the purposes of discharging the public services will be only the sums mentioned in the final estimates, as indicated by the document tabled yesterday. If it would affect in any sense the principle, I could understand there being some importance in passing the legislation, but as it stands I cannot see that it would be necessary to do so.

Mr. MACKENZIE KING: It does affect the principle. This house this year has not decided that the salaries of the civil servants shall be cut ten per cent, and until the house does so decide I do not think we should by any act, either implied or otherwise, countenance that action. The same point was raised last year and the government admitted eventually that the course of procedure which I urged should be followed was the correct one. While we were discussing the items under trade and commerce we withheld any which affected salaries until after the government had brought in its bill and the bill had passed this house. All I am asking is that the same procedure shall be followed this year.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, as my right hon. friend has said, we covered this point quite fully last April. Personally I have no objection to the position he has taken, that the better course to follow would be to proceed with the

bill, but I would point out that strictly to follow that course means that the bill would have to be introduced at the beginning of the session and there might be no opportunity to consider the estimates as long as the house desired to debate that particular bill. Therefore, it was felt to be in the interest of public business that we should present the estimates to the house in order to provide it with business, it being the intention of the government to bring in immediately a bill to deal with the question of the ten per cent reduction. That bill has been prepared and printed and I hope it will be submitted to the house the first of next week.

Mr. MACKENZIE KING: I have no desire to delay the procedure in any way, but I would point out to my hon. friend that he has had at least four months in which to prepare the bill. It is not our fault if it has not been introduced ahead of the estimates.

Mr. RHODES: It was not a question of requiring four months in which to prepare the bill, it was a question of deciding as to whether it was in the public interest to make a ten per cent deduction. The question of the preparation of the bill is a minor matter.

Mr. MACKENZIE KING: It is understood that we shall proceed in this matter at this session as we did previously

Mr. RHODES: The bill will be introduced, I hope, on Monday.

Mr. MACKENZIE KING: We will withhold any items which relate to salaries.

Mr. RHODES: As I understand it, last year we withheld those items which hon. gentlemen opposite desired should be withheld.

## FRENCH LANGUAGE

### QUESTION OF PRINTING TRADE AND COMMERCE BULLETINS IN ENGLISH AND FRENCH

On the orders of the day:

Mr. JOSEPH A. BRADETTE (North Temiskaming): Mr. Speaker, I have before me a daily bulletin published by the Department of Trade and Commerce. This bulletin contains information which is very useful to every section of the country, and I should like to inquire of the Minister of Trade and Commerce (Mr. Stevens) if it would be possible to have such bulletins printed bilingually?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, these bulletins are really brief editorial presentations of what otherwise would be technical reports which emerge from time to time from the bureau of statistics. They are put out for press circulation to facilitate the distribution of information to the public through the press. Up to the present time there has been no necessity for their being printed in the French language, and to do so would double the cost of production without perhaps adding anything effective to their value. My hon. friends will please bear in mind that these are specially distributed to the members of the press gallery.

Mr. CASGRAIN: Some of the members of the press gallery are French speaking and they have not time to make a translation.

Mr. STEVENS: No request has been made for publication in French. These are issued very promptly and the translation into French would cause some delay and possibly some of their real merit would be lost. However, I have no objection to offer in the matter. Up to the present this subject has not been brought to my attention other than by a question placed on the order paper by the hon. member for Bonaventure (Mr. Marcil). If it is thought desirable that these bulletins should be printed in French as well as English, we will endeavour to do so, although I would point out that it will double the cost.

Mr. CASGRAIN: In view of the request made by the hon. member I think the government should see that they are printed in French.

Mr. STEVENS: Very well, we will do so.

Mr. BRADETTE: There is a considerable demand in my section of the country for these bulletins, and I am glad to hear the Minister's decision that they will be printed also in French.

## WHEAT MARKETING BOARD

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, in view of the interest shown in different parts of western Canada in the setting up of a national wheat marketing board, may I ask the Prime Minister (Mr. Bennett) if the government has given any consideration to the establishment of such a board or to the calling of an international wheat conference of the wheat exporting countries of the world to deal with the questions of production and marketing.

Right Hon. R. B. BENNETT (Prime Minister): It has not been considered necessary to consult other nations as to the domestic policy of this country.

## PENSION ACT ADMINISTRATION

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I should like to inquire of the Minister of Pensions and National Health (Mr. MacLaren) if it is the intention of the government to introduce legislation based upon the findings of the committee investigating the workings of the Pension Act.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): This matter is now under consideration by the government.

## CITY OF OTTAWA

### EXTENSION OF AGREEMENT WITH CORPORATION TO JULY 1, 1933

Hon. H. A. STEWART (Minister of Public Works) moved the second reading of Bill No. 15, to authorize an agreement between His Majesty the King and the corporation of the city of Ottawa.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Agreement with the city of Ottawa.

Mr. MACKENZIE KING: I understand that this agreement is a duplication of the one in force last year and save as to date of its application does not differ in any particular.

Mr. STEWART (Leeds): My right hon. friend is absolutely correct in his assumption, this bill simply continues the existing arrangement for the current year, a considerable portion of which has already expired.

Section agreed to.

Bill reported, read the third time and passed.

## MIGRATORY BIRDS CONVENTION ACT

Hon. T. G. MURPHY (Minister of the Interior) moved the second reading of Bill No. 19, to amend the Migratory Birds Convention Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Publication.

Mr. MACKENZIE KING: The minister might explain the significance of this section.

Mr. MURPHY: The proposed amendment is the result of a request of the law clerks of the house. I think I could not do better than read the letter which was submitted by Messrs. Troop and Ollivier on June 26, 1928, to the Deputy Minister of Justice. This letter reads:

Dear Mr. Edwards:

The statutes of 1928 are being printed rapidly and we are comparing and correcting the proofs.

There is a serious matter to which you will allow us to draw your attention in this respect.

By section 46 (2) of the Fisheries Act, Revised Statutes, chapter 73, by section 4 (3) of the Migratory Birds Convention Act, Revised Statutes, chapter 100, the regulations under these acts are to be printed in the prefix to the annual volume of the statutes. We have had to do this for years past and it is the cause of delay in getting out of the statutes. This year is worse than usual, as we have to print again the special fishery regulations for each province, a small volume in themselves, besides the amending regulations. The migratory birds regulations are not so long.

Some years ago, when Sir Lomer Gouin was Minister of Justice, we brought this to his attention and he advised us to leave the regulations out if any delay was caused in issuing the statutes. We asked him to bring in a bill to amend these two acts, to delete these provisions, but it was overlooked.

These regulations are printed in the Canada Gazette and printed and distributed widely by the departments concerned. They are printed for the third time in our annual volume.

We will be sending this prefix to the printing bureau to-morrow, and would like just to show it to you before doing so, and you will understand the point clearly. Mr. Troop will call in and it will only take a moment of your time.

Yours sincerely,

Troop and Ollivier,
Law Clerks.

W. Stuart Edwards, K.C.,
Deputy Minister of Justice,
Ottawa.

That is the reason for this proposed amendment; it is merely to meet the wishes of the law clerks so as to enable the statutes to be printed at an earlier date than is otherwise possible.

Mr. HANSON (York-Sunbury): Just for the purpose of information, may I ask the minister; if these regulations are not printed annually in the statutes, in what manner will the public be informed, because practically nobody outside of the lawyers reads the Canada Gazette?

Mr. CASGRAIN: And not many of them do so.

Mr. HANSON (York-Sunbury): Yes. These regulations are important to the people in my community because they want to observe the law. The regulations are part of the law.

Mr. MURPHY: The regulations are very widely distributed by the department, and any interested party can easily secure a copy from it.

Mr. POULIOT: Would it be possible for the department to post the regulations in each post office?

Mr. MURPHY: If my memory serves me correctly, that is being done at present.

Mr. McKENZIE (Assiniboia): Is there in this bill anything which will be incompatible with the provincial game acts?

Mr. MURPHY: I cannot answer that question, because I am not certain what action the provinces might take, but any bill passed by a provincial legislature cannot go beyond the terms of this act, which is a dominion act giving effect to an agreement with the United States.

Mr. McKENZIE (Assiniboia): That is not exactly what I had in mind. What I had in mind is whether any change is being made by this bill which is not already included in provincial game acts.

Mr. MURPHY: In this bill there is nothing of which I am aware that would conflict with any provincial act.

Mr. POULIOT: The migratory birds fly over several provinces and for that reason, by virtue of the British North America Act, this law is under dominion jurisdiction.

Mr. BLACK (Yukon): Will the minister consider an amendment to the act in addition to those now before the house, that would allow the legal opening of the shooting season in the Yukon territory earlier than the first September? When the original act was passed, it and the terms of the treaty as well, provided that no open season should be permitted before the first September. That applies to Alaska as well as the Yukon territory. If the hunters there wait until the first September, they get no shooting, because the birds nesting in those northern regions are fully fledged and going south by August 10 and any shooting done is done in violation of this act. Local legislatures in both Alaska and the Yukon territory have endeavoured to overcome this. I have many times discussed the matter with the officers of the department who are charged with the administration of this act, and it has been said that on the first occasion when an amendment to the act came before the house, the question of this amendment would be raised. I would ask the minister to consider it while the bill is before the house.

Mr. MURPHY: Before any amendment of that nature could be made it would necessarily have to be taken into consideration in relation to the agreement which this country has with the United States. Therefore, until I can consult the act, I would not be prepared to consider any such change. This act is based upon an agreement with the United States and certain dates are no doubt incorporated in it. We cannot go beyond the terms of that agreement in any amendments we might seek to bring down at this time.

Mr. BLACK (Yukon): That matter I am convinced can be very easily settled. I think there would be agreement between the United States and Canadian authorities. Probably we have something on record in the department now concerning it.

Mr. CANTLEY: It is true that the great bulk of the migration northward in the spring follows the Atlantic-St. Lawrence past Nova Scotia and New Brunswick, but ninety per cent of the southward migration passes overland, first passing over the wheatfields of the west and then going down through the United States, and it is the people of the United States who get all the advantages of the treaty, and we get none. That is the situation.

Mr. MACLEAN: The people of the maritime provinces feel that they are not getting a fair deal under the treaty, and petitions I believe have been presented to the government time and again asking for a revision of the whole matter. I would ask the minister if the treaty has been renewed for a term of years, or if it is just being extended from year to year.

Mr. MURPHY: There has been no renewal of the treaty for any specified term of years.

Mr. MACLEAN: Has the first fifteen-year period expired?

Mr. MURPHY: Yes.

Mr. HANSON (York-Sunbury): With all due respect to my hon. friend from Pictou and my hon. friend from Prince, there are two views with respect to this matter. Anybody who has shot geese in the fall of the year and also in the spring will know exactly what I mean. In the fall of the year the birds are in good flesh and are good to eat; in the spring they are not; they are skinny and tough and lean. I say, let the birds have a chance to get up north and breed. It will be better for them, notwithstanding what a few game hogs, if that is a proper term to use here, may think. I think we had better not change this. Let us give the birds a chance.

Mr. CANTLEY: With all due deference to my hon. friend from York-Sunbury, I have probably had as much experience in the attempt to shoot ducks, brant and geese in the province of Nova Scotia as he has, and my experience is that the first flight in the spring, when probably only three or four days elapse between the birds leaving their southern winter sojourn and their arrival in Nova Scotia, finds the birds in as good condition as they are in when they come down from the north. Later flights to the northward may possibly be open to the objection my hon. friend points out, but that certainly does not apply to the first flight, and I think my hon. friends from Prince Edward Island will corroborate that. After many years of experience of the treaty the people of the maritime provinces feel that we are not getting a fair deal. The United States gets ninety-five per cent of the advantages under the treaty, and they know it.

Mr. BLACK (Yukon): I think the minister would be well advised not to open up spring shooting in any part of the dominion. The same condition which my hon. friend from Pictou has described obtains in the Yukon. In the spring the birds come up there in the thousands as soon as the ice is out of the river, but notwithstanding that that is a remote country and that a supply of fresh food, with no freight charges to pay, would be very welcome, no one in the Yukon would say, open up spring shooting. It is too bad that some people in that locality and in the maritime provinces should be deprived of a little sport, but it would not be fair to interfere with the birds on their northern migration.

Section agreed to.

On section 2—R.C.M Police to be game officers.

Mr. STEWART (Edmonton): Has the minister given consideration to withholding from the mounted police who are now policing the western provinces the right to try those whom they apprehend for breaking the law? I always questioned myself the wisdom of allowing the officer who apprehended a man to try him. I am speaking, of course, of territories where magistrates are available.

Mr. MURPHY: That phase of the situation has never been brought to my attention before, and I shall be glad to give it consideration.

Mr. BRADETTE: I think this section is likely to lead to conflict between the federal and provincial authorities, for in northern Ontario we have both provincial and federal police. I know cases where the penalties inflicted in northern Ontario were absolutely unwarranted. I think we should specify in the act just where the mounted police shall have jurisdiction. To extend the use of the word ex-officio in this way is giving the police too much latitude and is likely to lead to conflict of jurisdiction.

Mr. MURPHY: At the present time the mounted police, under certain circumstances, are made game officers, and it has been found necessary in each individual case so to appoint them. This section simply means that these men will be game officers without the necessity of taking another oath.

Mr. BRADETTE: It is too broad. There should be an amendment specifying the jurisdiction of the police, and this is the time and place to do it. To my knowledge conflicts have arisen in the past, and an amendment ought to be introduced specifying where these activities of the mounted police will be permitted. I would include the Northwest Territories, and possibly Alberta, Saskatchewan and Manitoba, but leave out the old provinces where the mounted police have no jurisdiction in these matters.

Mr. MACKENZIE KING: May I direct the minister's attention to the previous clause which says that the minister may appoint members of the police force game officers? It also says that he may appoint them magistrates. Is it intended by this amendment to do other than to make them ex-officio game officers? In other words the amendment does not contemplate their becoming ex-officio magistrates?

Mr. MURPHY: The intention is simply to appoint them ex-officio game officers.

Mr. MACKENZIE KING: If they are to exercise power as magistrates they will have to be specially appointed as such?

Mr. GUTHRIE: In the provinces, yes.

Mr. MURPHY: I am informed that in the provinces the province appoints the police magistrates, in the Northwest Territories the Dominion government appoints them.

Mr. MACKENZIE KING: The original section reads:

> The minister may appoint game officers for carrying out this act and the regulations,—

As I understand the amendment, all the members of the mounted police are made game officers ex-officio. But the section goes on:

> —and may authorize such game officers to exercise the powers of a justice of the peace or the powers of a police constable.

My question is, does this amendment make any of these members of the police force who are appointed game officers ex-officio justices of the peace as well?

Mr. HANSON (York-Sunbury): I think the leader of the opposition, reading the whole of section 5 with the addition now provided for by section 2 of this bill, is right; and they would not be confined to any province. But it would have to be by designation by name. So there is a potentiality there along the line the right hon. gentleman has intimated.

Mr. STEWART (Edmonton): I may say for the information of the committee that in part the reason for the granting of this authority to the minister arose from the very matter that was in controversy a few minutes ago. It was the difficulty of getting a conviction before a magistrate for spring shooting. A great deal of unnecessary expense was incurred trying to obtain convictions and it was suggested that if the minister had authority to appoint his own magistrates it would get over that difficulty. However I am not in favour of a police officer who is attempting to bring a party to justice being the magistrate who tries him for the crime.

Mr. MACKENZIE KING: The minister has not yet given a statement that is satisfactory. Let me ask specifically, does this act as he is amending it now make members of the Royal Canadian Mounted Police ex-officio justices of the peace where they are made ex-officio game officers?

Mr. GUTHRIE: The act as it now reads, without this amendment, is:

> The minister may appoint game officers for carrying out this act and the regulations, and may authorize such game officers to exercise the powers of a justice of the peace . . . .

Now it is provided by the amendment that that all members of the Royal Canadian Mounted Police shall for the purposes of this act be ex-officio game wardens. That is the first. Then if the minister subsequently authorizes it they may also become justices of the peace.

Mr. MACKENZIE KING: Under the old section?

Mr. GUTHRIE: Under the old section, not under this. The law as it has been on the statute book is merely extended now to include the mounted police.

Mr. BRADETTE: I beg to move an amendment, after the words "be ex-officio game officers":

> In districts and territories where the federal government has full jurisdiction in such matters.

Mr. BOWMAN: That does not add anything to the section, because the authority is there now.

Mr. BRADETTE: Well it is there and it is not there. I have seen in my own district, provincial authorities in conflict with federal. We will have the same thing here. That applies to northern Ontario and northern Quebec where you have the provincial police and the Royal Canadian Mounted Police.

Mr. STEWART (Edmonton): May I point out to my hon. friend that this act is based on an international agreement for the protection of migratory birds that inhabit both countries. Our difficulty in the past—I do not know what difficulty the present minister has—was that in the provinces of Ontario and Quebec and the maritime provinces the local authorities were only interested in the administration of the local game laws. Take the case of spring shooting, which illustrates it best; you could not get a conviction for spring shooting before the local authorities on a bet. Throughout Canada we have the Royal Canadian Mounted Police under the control and jurisdiction of the federal authorities, which authorities have given their promise to the American government that the provisions of this act would be carried out. It was simply for the purpose of getting the administration properly carried out that it was thought advisable to appoint the mounted police as game wardens. The fact that the minister also took authority to appoint the magistrates is perhaps a doubtful feature. On the other hand the difficulty was, even when a man was apprehended, to get a conviction when he had infringed the law. If the administration of the act were handed over to the provincial authorities I fear we would be in trouble in connection with our agreement with the United States to enforce the provisions of the act.

Sir EUGENE FISET: I would like to add a word to what has been said by the hon. member for North Timiskaming (Mr. Bradette). I think this act should be limited to those provinces where the mounted police are also in charge as provincial police. In the provinces of Quebec, Ontario and New Brunswick that have been mentioned by the ex-minister I am under the impression that the law has been changed, that the provincial governments have been asked to change their law to comply with the federal law, and that

the spring shooting season has been fixed to accord with the federal law. Therefore there is no need for this change. There is the danger of conflict between the mounted police and the local authorities. In Quebec there is a close season for killing migratory birds in the spring, and we have game wardens in every part of the province, and if we are going to have added to those the mounted police right amongst our own population we are bound to have conflict.

Mr. GUTHRIE: This proposal does not change the present law. Under the present law members of the Royal Canadian Mounted Police are nominated and appointed.

Sir EUGENE FISET: They are specially selected and named.

Mr. GUTHRIE: They are named now. This only provides that instead of naming them individually, all members shall be ex-officio game officers.

Sir EUGENE FISET: That is exactly what I object to. At present you could not name mounted police officers as game wardens in Quebec, at least without consulting the provincial government. Let us say down in Rimouski there are ten or fifteen mounted police, who are interfering enough, Heaven knows, in our provincial law, we do not want them to go any further. I think the law as it stands today is quite enough.

Mr. MURPHY: This act was passed by this government to enable the government of Canada to enforce the provisions of an international treaty, consequently I take it, although I am not a lawyer, any provincial legislation must conform to the provisions of this act. It rests with the government of this country to see that the provisions of this act are carried out. Therefore of necessity the provincial legislation must conform to the provisions of the dominion act.

Mr. POULIOT: The minister has said that the Dominion government has to see that the provisions of the treaty shall be respected by those concerned. It will be necessary to send the Royal Canadian Mounted policemen to the universities to study the laws of the provinces if they are to know whether those laws conform with the federal law. I fully agree with what my hon. friend from Rimouski has said; we have a good deal of trouble in the province of Quebec owing to the activities of the Royal Canadian Mounted Police. The minister laughs. He should stay in Quebec for some time; it would do him good. These men are supposed to be quite busy with their duties as customs and excise officers. Suppose the Royal Canadian Mounted Police were notified of smugglers five miles away and at the same time they were informed that there were people shooting game at a distance of ten miles in the other direction. In this event which act will prevail—this one or the Customs and Excise legislation? These men have not the gift of ubiquity; they cannot be in two places at the same time. If, therefore, you charge them with too many duties they will fail to carry out any of them properly. We find that the same thing happens in connection with the officers of the Quebec Liquor Commission who sometimes are obliged to charter boats. There is a boat that belongs to the mounted police or to some other department in Ottawa. The officers are notified that a seizure has to be made somewhere and the officials of the Quebec Liquor Commission have to charter a boat because these people will not undertake the work. I know one who was afraid of seasickness and for that reason he left his boat at the wharf all the time. If the United States authorities knew how these people were looking after the enforcement of the law I am sure that the American guns would be directed at the minister. They would ask him at the point of a gun why he does not get better men to look after the execution of the treaty. These people might be appointed if they were personally known to the minister as men with the gift of ubiquity, as I say; otherwise the law should be enforced by those who are responsible and who have been doing it quite well. They are just as good citizens as the hon. member for Pictou. Perhaps they have not as wide a game experience but they are all right just the same. We have too much legislation in this house; we have to legislate about this and about that. The treaty was passed and legislation was enacted in accordance with it a long time ago, and now we are wasting the time of the house splitting hairs, while people are unemployed and agriculture is in a very serious position. Let us look after the more important business of the country and satisfy the general cry of the people who are asking for employment, and the farmers who are in distress.

Mr. CASGRAIN: There is a good deal of merit in the suggestion of the hon. member for Rimouski and the hon. member for Témiscouata. I am afraid that if the officials are made game wardens there may be a conflict with the functions of the officials in the province of Quebec. There are at the present time on the river St. Lawrence certain game officers appointed every year by the Department of the Interior to see to the proper administration of the law. Are these officials

of the Royal Canadian Mounted Police intended to supersede the other men, or is it the intention of the government to do away with the officers who are appointed every year? There is a staff that goes down there every year, selecting certain people at different places and hiring motor boats to look after the administration of the law. I know there are also officers of the Royal Canadian Mounted Police in the district. Who will have jurisdiction? Who will be the superior of the other? I should like to have an answer to that question from the minister.

Mr. MURPHY: It had been the practice in past years to employ temporary assistant migratory bird wardens at certain seasons of the year, but these assistant bird wardens will not be appointed in the future. The duties which they formerly performed will now be discharged by the Royal Canadian Mounted Police.

Mr. CASGRAIN: In the province of Quebec, where the services of the Royal Canadian Mounted Police have not been accepted by the provincial government, we shall have them functioning to see to the proper observance of this law. I do not think that is good for the province of Quebec, and as a representative of that province I wish to protest against this sort of legislation going through this house. We are going to have men under the control of the federal government coming there to carry out a particular law and see to its administration, whereas formerly it was under the control of a responsible department. Mr. Lewis is a highly qualified official and I have nothing but praise for his services, and I do not see any reason why the government should dispense with such a valuable man. He has rendered excellent service in the enforcement of the act.

Mr. MURPHY: The hon. member is in error when he states that the services of Mr. Lewis have been dispensed with; they have not.

Mr. MALCOLM: The minister is increasing the expense of administering the law. If I understand it, the provinces of Quebec and Ontario have brought their acts into conformity with the dominion act so far as the flight of migratory birds is concerned and the season in which they may be shot. Under section 5, if any difficulty does exist in any province, or if the act is not in conformity with the federal law, the minister has all the powers he needs to name members of the Royal Northwest Mounted Police to take care of the provisions of the act. But why should we duplicate services? Ontario and Quebec have their own officials, their own provincial police and their own game wardens, and such additional men as may be necessary in different seasons may be appointed to carry out the provisions of the act. Why add the whole mounted police automatically to the service in all the provinces? The provinces already have their services. There is one point that is in the minds of the people, and that is duplication of expenses.

Mr. GUTHRIE: This is the other way around.

Mr. MALCOLM: Not at all; you are not abolishing the provincial police or the game wardens. You are giving the mounted police an over-riding authority—

Mr. GUTHRIE: At no expense.

Mr. MALCOLM: I do not see how they will police Ontario or Quebec without additional expense, because they must put on extra men.

Mr. GUTHRIE: There are inspectors now appointed by this government. The mounted police have now taken over our obligations under the treaty in regard to migratory birds. They have heretofore been appointed annually to carry out work along with civilians in various parts of Canada, to discharge the obligation which was entered into by the preceding government. Now we propose to allow the mounted police as a body to be game wardens. They get their pay whether they do this or other work, so that there is no increase involved but on the contrary a saving. As a result of this legislation a number of the men now employed will not be required. The saving will be in the salaries of the men who are now employed by the Department of the Interior, as they have been for years, which men will not be required in future.

Mr. BRADETTE: Let me give a typical example of what is being done. In Cochrane today we have machinery for taking care of the migratory bird law. There we have provincial game wardens and provincial police, and we have our police magistrates who have complete jurisdiction in such matters. If the government goes ahead and appoints a member of the mounted police as a magistrate, Toronto will say, and quite rightly, that they have no right to do so. The law will become ultra vires.

Mr. GUTHRIE: We have the right to enforce treaties made by this government with foreign governments and to impose our will upon the provinces for that purpose.

Mr. BRADETTE: No matter what this government may do in appointing a man in a district as a magistrate, that appointment will become ultra vires. The province of Ontario will be the first one to protest, and I believe that we should do away with this evil. I have seen it done repeatedly and that is why I am so keen in seeing a remedy provided at this time. Not even the Minister of Justice (Mr. Guthrie) can deny that these appointments would be ultra vires the moment Toronto protested.

Mr. MURPHY: The sub-section reads as follows:

> The minister may appoint game officers for carrying out this act and the regulations, and may authorize such game officers to exercise the powers of a justice of the peace or the powers of a police constable.

The minister has had that power ever since the treaty went into effect; he could have exercised it at any time and he could have designated a police officer to carry out these duties.

Mr. RALSTON: Not as a police officer but as an individual.

Mr. MURPHY: In answer to the hon. member for North Bruce (Mr. Malcolm) I may say that instead of adding to the expense, this action will decrease the expense. The Royal Canadian Mounted Police will perform duties formerly performed by temporary employees, and we will save the salaries of those men. The mounted police will carry out the provisions of this act the same as they enforce the provisions of other acts.

Mr. MALCOLM: How many men will be dismissed as a result of this amendment, and what are their salaries?

Mr. MURPHY: These men were simply seasonal employees. I am not sure of the number, but I think it is something like twelve to fifteen, perhaps a few more.

Mr. HANSON (York-Sunbury): There is one of these officers in my city. He was appointed by the Civil Service Commission and apparently he is going to be let out. I have been trying to help him by having him appointed by the mounted police to perform these duties. I know a substantial saving will be effected by letting out the temporary officers, but this man happens to be a permanent appointee. He has reached the age of sixty years and has been in this office a long time. It seems to me that the mounted police being so active in connection with the customs and excise act, will not give the attention to this act which is desired. I think this would be very true of the south shore, and perhaps the north shore of the St. Lawrence river and the bay of Chaleur. This is just one more thing being loaded upon the mounted police, and I understand it is something they are not very keen to take over. However, the matter of policy has been settled and the thing is done.



Mr. MACKENZIE KING: It would look as though this were an effort to increase the number of members of the mounted police force. If ten or twelve officials were required to enforce this act, some addition to the mounted police will be required in order to carry on the work, provided, of course, that today the mounted police are not too numerous for the duties they are being called upon to perform.

Mr. MURPHY: There seems to be some confusion in regard to this matter which I hope I can clear up. The hon. member for York-Sunbury (Mr. Hanson) stated that as a result of the non-employment of these temporary assistant migratory bird wardens, certain officers have been let out and he thought I was in error in making my statement. There were temporary assistant migratory bird officers who were appointed for a short period each year. When the season was over they were out of the service and might not be employed the following year. The class of official to which the hon. member has referred was not known as temporary assistant migratory bird wardens; they were known as assistant migratory bird wardens and are still in the service. By order in council they have been transferred to the Department of Justice.

Mr. MALCOLM: Then there is no saving.

Mr. MURPHY: The saving has resulted from the fact that the temporary assistant migratory bird wardens will not now be employed, their duties will be performed by the Royal Canadian Mounted Police.

Mr. CASGRAIN: Because of the reasons stated by the minister, I think we are safe in opposing this legislation. In my county there are five or six of these men who work under Mr. Lewis. They work from April to October only but are able to earn a certain amount of money which helps them through the rest of the year. In connection with this service

there are also guardians of bird sanctuaries who are appointed every year to be stationed at certain places to look after the administration of the act. The stretch of land from the Saguenay down to the Labrador coast is divided into three or four districts, and these men are stationed at various places and have certain territory to patrol. Mr. Lewis supervises their work and the administration of the act is carried on in an efficient manner. I cannot see how it would be possible for the government to have mounted police officers do this work. It would require nearly the same number of constables and the force would have to be increased. The constables would have to hire boats and perform the same duties as these other men. There would be no saving and yet a certain number of people would be deprived of considerable remuneration. The mounted police is being used in connection with the inland revenue and excise acts, as well as in connection with other acts, and it would seem that the government has gone mounted police mad. These officers are gradually displacing the officials of many departments. I think we should adhere to the administration as carried on formerly as I cannot see that any bad results have resulted from such administration.

Mr. MALCOLM: I do not see where any saving will be effected. If five or six temporary wardens are necessary in any district, it is quite evident that five or six mounted police will be required to perform the same duties. The present system under which the minister has been administering the act provides that he may pay temporaries for the time the migratory season is on, that is, from spring to fall. If he has to put on mounted police he has to increase the mounted police force and will therefore have a number of policemen idle between seasons. We cannot save money by administering the act in that way. The Minister of Justice says he has transferred the administration to the Department of Justice and he is going to substitute mounted police for temporary wardens. In other words, he is to put on full-time policemen to do what part-time civilians are doing now.

Mr. BRADETTE: If I am wrong, the minister will correct me, but to me the main reason for the change is quite evident; it is the conflict of jurisdiction between the federal and the provincial governments and lack of cooperation on the part of the provinces in applying the migratory birds law. I mean by that what the Minister of Justice, and also the Minister of the Interior, said a few minutes ago, that apparently the international law has not been applied by the older provinces at least. Is that so?

Mr. MURPHY: We do not compel the provincial governments to pass their legislation, but I may say there has been cooperation between the various provinces and the dominion, and to the best of my knowledge the provisions of the provincial acts conform to those of the dominion act.

Mr. BRADETTE: I have under my hand a document in which there is an appendix to the Ontario game and fish law in which is incorporated international provisions applicable to the whole of Canada, and also instructions to the game wardens. It seems to me that we should define the jurisdiction of the federal authorities. I do not see why we should be discussing that matter for such a long time, because in this act there is an anomaly in that a certain provision cannot apply to Ontario. Ontario will never allow any such jurisdiction in the whole of that province and I suppose the same thing applies to Quebec as well as to any other province. In my section of Ontario it cannot be applied. Therefore obviously my amendment should be passed now because the federal government should prevent overlapping of jurisdiction.

Mr. MURPHY: The answer, to my mind, is very simple: the dominion has complete jurisdiction.

Mr. RALSTON: How many game officers, not police officers, are there in Nova Scotia, within the meaning of this section?

Mr. MURPHY: The number of temporary migratory bird wardens in Nova Scotia would usually, I think, be in the neighbourhood of nine or ten. In addition to them there are permanent assistant migratory bird wardens. There are two in the province who have been transferred to the Department of Justice.

Mr. RALSTON: How many of those nine or ten has the minister appointed as officers?

Mr. MURPHY: They were appointed for the season.

Mr. RALSTON: But appointed under this section. It states that the minister may appoint game officers for carrying out this act. Those nine or ten were appointed by him under this section.

Mr. MURPHY: Yes.

Mr. RALSTON: Did my hon. friend appoint any members of the mounted police in addition to those nine or ten?

Mr. MURPHY: No.

Mr. RALSTON: Is the situation not this? Let us consider the province of Nova Scotia. At the present time there are nine or ten officers appointed by the minister. The minister has power also to authorize those nine or ten to perform the duties of justices of the peace. If this amendment were passed, I suppose about 150 men will be added to that strength. These last 150 men are responsible to the Minister of Justice. The first nine or ten are responsible to the Minister of the Interior. Immediately a conflict of responsibility arises, and there is also a conflict in the exercise of jurisdiction. Who is going to proceed with it? Is it to be the nine or ten?

Mr. GUTHRIE: The nine or ten will be dropped.

Mr. MURPHY: The nine or ten will not be appointed.

Mr. RALSTON: Then there is no objection to my hon. friend dropping the nine or ten.

Mr. GUTHRIE: That is the idea.

Mr. RALSTON: Is there any intention of dropping that provision from the statute?

Mr. MURPHY: There would be an objection to that, because I might want to appoint some in the Northwest Territories or at some particular point where the services of the Royal Canadian Mounted Police might not be available, and I think the minister should have that power; but it is not the intention to reappoint those men in districts where their duties can be efficiently performed by the mounted police.

Mr. RALSTON: Are the mounted police acting as ex-officio game officers under this amendment, responsible to the Minister of the Interior or the Minister of Justice?

Mr. GUTHRIE: The administration of the Migratory Birds Convention Act is being transferred under that special act which permits the transfer from one department to another, and I assume in the future the Department of Justice, being the department in control of the mounted police, will have the administration of the Migratory Birds Convention Act. The idea is as far as possible to use the Royal Canadian Mounted Police, and our belief is that this will not in any way increase but will lessen the expense. We have the men now; they are supposed to be a very valuable force of trained investigators and we think their services ought to be utilized. I believe the original object was to save money, and I am satisfied, if this bill passes, we shall succeed in that. There may be points where at odd times it may be necessary to name some special officers for a particular district for certain seasons of the year. I do not, however, anticipate that will be necessary.



Mr. RALSTON: What minister will do that?

Mr. GUTHRIE: That will be the mounted police.

Mr. RALSTON: The minister?

Mr. GUTHRIE: It would be the Minister of Justice after the transfer is completed, but it is not anticipated that will be a power that will be utilized at all. I see, however, no objection to leaving it there in case the necessity should arise.

Mr. MACKENZIE KING: Is the fact not really that the government is gradually doing away with the Department of the Interior and this is one step in that direction?

Mr. GUTHRIE: Possibly there is something in that. The suggestion did not come from the mounted police. It came from the Department of the Interior. The mounted police as now constituted is, I think, the proper force to handle such a matter. If we can utilize the services of trained men and thereby save money, we should do so.

Mr. RALSTON: I would point out to my hon. friend I am afraid he is not quite correct with regard to the power to appoint those officers as justices of the peace.

Mr. GUTHRIE: Perhaps I made a slip in my former statement, because I notice the language of the amendment is:

All members of the Royal Canadian Mounted Police shall, for the purpose of this act, be ex officio game officers.

Now they are appointed under this act; they are not appointed by the minister and it is only those who are appointed by the minister who could be made magistrates.

Mr. RALSTON: Notwithstanding what has already been said, I want to protest against the idea of an administrative officer being given the power of a justice of the peace. I am glad the Minister of Justice assures us that under this amendment as it stands the members of the Royal Canadian Mounted Police do not become justices of the peace by reason of having been included as ex officio game officers. They would have to

be specially appointed. Let me say one thing more, and that is, I sincerely hope that power will not be exercised and that the magistracy of the country will be utilized instead of these officers who are responsible for making arrests and enforcing the law and who would naturally be zealous in prosecuting, being charged also with the administration of justice.

Mr. GUTHRIE: I fully agree with the observations of my hon. friend in that respect. It is a very doubtful practice that men who lay the information should also try the case. I would discourage that in every way possible.

Mr. MacLEAN: On December 17, 1932, an order in council was passed, P.C. 2744, which authorized the transfer of five officers of the Migratory Bird Service with their positions to the Royal Canadian Mounted Police. Up to the present I understand that these men have not been given employment although they were transferred with their positions under this order in council, and money was voted to continue their services. These men had been in the service for quite a long time, and they were permanent civil servants. I would ask the Minister of the Interior or the Minister of Justice to look into this matter and see whether these permanent officials who have been transferred by order in council cannot be given employment. It seems hardly fair for the mounted police to take new men into their service and at the same time dispense with the services of these migratory bird officers who had been in the service for many years. Some of them had splendid war records, and it does seem strange to me that they should be let out and new men taken on to replace them, especially in view of the order in council transferring them to the Royal Canadian Mounted Police. I trust that the Minister of the Interior and the Minister of Justice will give attention to that order in council and endeavour to see that justice is done to these men. Up to the present I do not believe that they have been given any assurance that their services will be continued. I think they were given leave of absence with pay, and perhaps they are still in that position. I would like a reply from the ministry.

Mr. MURPHY: There are certain permanent officers engaged in carrying out the provisions of this act who are known as migratory bird officers. There is one in the four western provinces, Mr. Munroe; one at Ottawa, Mr. Lewis; one in the maritime provinces, Mr. Tufts, and in the maritimes there have been five other permanent officers, who are known as assistants to the migratory bird officer. It is these five officers who have just been brought to my attention by the hon. member. No other part of Canada has such officials, but these five were carrying on in the maritimes as assistants to Mr. Tufts, and when the move was made to transfer to the Royal Canadian Mounted Police the duties which they had been performing, these five were transferred by order in council to the Royal Canadian Mounted Police. Whether it will be necessary to retain their services now that their duties are being performed by the mounted police will be a matter for the Department of Justice to determine.

Mr. MacLEAN: I thank the minister for his explanation, but it seems to me hardly fair to let out permanent civil servants and fill their places with new men. I think it is generally admitted as a fair principle to retain throughout the service men whose services have been satisfactory rather than to take on new men.

Mr. RALSTON: Might I suggest that the ridiculousness of this whole proposition is shown by the illustration I have given? Nova Scotia could be covered by nine or ten officers who understand their work, but now it is to be done by 150 or 160 men. It is absolutely ridiculous. If the Minister of the Interior or the Minister of Justice wants this work done by the Royal Canadian Mounted Police, why not designate seven or eight or nine officers to do the work? The mounted police are being given entirely too much authority in this country, and too many things are being handed over to them. But if the government are determined to have this work turned over to the mounted police, why not designate seven or eight or nine or ten officers who would have power to act, and not have 150 or 160 take the place of the nine men who are doing the work in Nova Scotia? That would obviate this blanketing in of the whole force, and you would be able to carry out exactly the same idea you have in mind if you want to transfer this work to the mounted police. Personally I think the idea is all wrong, and that the work should remain where it is, namely, under the responsible officers of the department which is administering the act.

Mr. GUTHRIE: I am not at all wedded to the suggestion contained in the act, and if my hon. friend is serious in his suggestion I should be prepared to let this clause stand and discuss the matter with the officials of the mounted police. I think, however, there is a good deal to be said in favour of empowering all the members of the force to do

particular acts or administer particular laws, and that is now done in respect of other laws. While my hon. friend says that the duties of the mounted police are becoming altogether too extended, in every case in which their duties or the areas in which they operate have been extended it has been done at the request of the provinces themselves.

Mr. CASGRAIN: Not of Quebec.

Mr. GUTHRIE: We have not extended their duties there, or in Ontario, but in all the other provinces it has been done at the request of the provincial authorities. The force is now in Nova Scotia. I do not know, from memory, just how many men are there, but under this provision all these men would be ex officio game wardens and would have the right to administer the provisions of the act. If my hon. friend thinks there is merit in the suggestion that only a specific number be designated instead of the whole force, I am willing to consider it. I do not disfavour it at all. There is of course the principle that all members of the force should have equal powers. I will ask that the clause stand and we can discuss the matter further.

Mr. STEWART (Edmonton): I also doubt the advisability of this transfer. I am not questioning the ability of the officers to enforce the act, but it does seem to me that the Department of Justice is not the proper place for the administration of an act of this kind. The mounted police officers are undoubtedly zealous in performing their duties; I have always admitted that. But I do think the government are making a mistake in this transfer, as will be disclosed as time goes on. My experience with the act was that it was sometimes difficult to reconcile domestic and local difficulties with the international questions raised. The officials now in charge have had some training in this work; I think we have met the situation fairly well up to the present and are beginning to reconcile many of these difficulties. Therefore I question the wisdom of transferring the whole administration of this act to the mounted police, who are obligated to perform other duties, and who while performing those duties zealously, undoubtedly, have not had the experience in this particular work of the local men who are to be dismissed.

Mr. MURPHY: They are not being dismissed.

Mr. STEWART (Edmonton): I found that they did their duty fairly well, and the only difficulty I encountered was in getting convictions. I do not think this is a step in the right direction, or that it will make for as efficient administration as before.

Sections 2 and 3 stand.

On section 4—No one to buy, sell or possess bird, nest or egg in prohibited time.

Mr. HOWDEN: Some years ago what used to be the Kirchoffer's hunting preserve around the southern end of lake Manitoba was acquired by a number of well-to-do American gentlemen. They shot over it for a number of years, and as game had become rather scarce in that locality, last year they made it their business, doubtless with the knowledge and sanction of either the provincial or the federal authorities, to breed many thousands of wild ducks. They gathered the eggs and set them under hens and tame ducks, and consequently in the hunting season of 1932 there were more wild ducks than there had been in that district for many years. Certainly it was a great benefit to the duck hunting fraternity of Manitoba. But if the collection of wild ducks eggs for such a purpose is not permitted, it seems to me the province of Manitoba would be the poorer. It could not be done again if this clause obtains.

Mr. GUTHRIE: This clause is the same as it was before, except for the matter of a few words.

Mr. HOWDEN: Ducks were bred in great abundance, and last year there were more ducks around the south end of lake Manitoba than had been seen for many years.

Mr. POULIOT: Why not discuss the whole thing at a lame duck session?

Mr. MURPHY: There is nothing to prevent the continuation of that plan, which I understand was carried out under licence.

Mr. STITT (Nelson): In connection with section 6 I may say that I am a migratory bird officer, have been for ten years, without remuneration, and I think I know something about migratory birds. But there is one thing here I do not quite understand and would like to be enlightened upon. Section 6 says:

> No person, without lawful excuse, the proof whereof shall lie on such person, shall buy, sell or have in his possession any migratory game bird—

Will the minister state what he considers a lawful excuse? I am a prospector; my work takes me sometimes far afield, as much as two, three or four hundred miles from my

base. I carry in my grub pack the usual bannock and bacon, no more than I can help, because we sometimes have many portages and we get tired; besides it sometimes becomes rancid and not very palatable. I want to know if I should be considered as breaking the law if I killed a duck and boiled it. If so, there is about a thousand years coming to me right now.

Mr. MURPHY: I would say that the only person who could answer that question would be the magistrate who is trying the case.

Mr. STITT (Nelson): I would be trying myself, as it stands at present, being a migratory bird officer and ex officio magistrate. I think I would let myself off.

Mr. BRADETTE: I would ask the Minister of Justice: this act we are dealing with being an international matter, is there anything in the constitution machinery which will allow the federal government to ask the provincial governments to apply this act?

Mr. GUTHRIE: There is a provision in our constitution that in regard to international treaties the federal government can enact laws imposing upon a province whatever is necessary to carry out an international obligation. This being an international obligation, a matter of treaty between Canada and the United States, the federal government is empowered to pass such laws as are necessary to put it into force in the various provinces of Canada.

Progress reported.

## SUPPLY

### DEPARTMENT OF TRADE AND COMMERCE

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

Salaries, $524,790; contingencies, $40,000.

Mr. MACKENZIE KING: This item raises the whole question of civil service salaries. I think it should stand.

Mr. STEVENS: If there is objection to proceeding with the civil service list we will let that stand.

Item stands.

An act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal, administration of, $1,000.

Mr. RALSTON: May I ask the minister who in his department has charge of this particular matter?

Mr. STEVENS: Does my hon. friend mean the officer in Ottawa?

Mr. RALSTON: No, I mean the officer to whom any part of that $1,000 is paid—I presume an officer in the plant.

Mr. STEVENS: John MacLean.

Mr. RALSTON: In the plant?

Mr. STEVENS: Yes.

Mr. RALSTON: What is his salary?

Mr. STEVENS: He gets $3,600 a year, but the Dominion government pay $1,000 and the company pays the balance.

Mr. RALSTON: Can the minister state the amount paid last year under this item?

Mr. STEVENS: Up to December 31, 1932, only $780; but I apprehend that the accounts for the year are not all in. For the preceding year it was $62,000.

Item agreed to.

The Hemp Bounties Act, 1923, administration of $500.

Mr. MALCOLM: What was paid under the Hemp Bounties Act last year?

Mr. STEVENS: The answer will have to be the same, a very small sum so far, the year not being complete. The year previous the amount was $2,189.

Mr. MALCOLM: The administration of the act costs 25 per cent of all the money paid.

Mr. STEVENS: No, we do not pay anything out. As a matter of fact, this is provided for travelling expenses and is used only in case of necessity. Nothing was used last year or the year before.

Mr. SANDERSON: When does the act expire?

Mr. STEVENS: At the end of the calendar year 1933.

Mr. SANDERSON: I hope the minister will seriously consider the question of renewing it. I am of the opinion that this is money wasted. I said so when the late administration was across the floor, I said so last year, and I repeat it now. It does not serve any good purpose at all. It was the intention of the act to give some assistance to the farmer in growing hemp but it does not assist the farmer. It never has done so and it never will. What money is paid out is paid to the manufacturers of hemp, and I think the minister and the government would be well advised not to renew it.

Mr. STEVENS: This is an occasion on which I can say to my hon. friend that his advice is welcome, and we will certainly give it careful consideration, because I have somewhat sympathetic views myself although I am not prepared to make any definite pronouncement now.

Item agreed to.

Commercial intelligence service, including miscellaneous expenditure in connection with Canada's trade, and also to provide for the appointment of L. D. Wilgress, as director of the commercial intelligence service, Department of Trade and Commerce, at $7,800 per annum, effective April 1, 1933, notwithstanding anything to the contrary in the Civil Service Act, $693,487.30.

Mr. STEVENS: This includes salaries abroad. Does the leader of the opposition object to going on with it?

Mr. MACKENZIE KING: If it is understood that a bill will be introduced it will be all right to proceed.

Mr. STEVENS: It is understood that the opposition reserve their full rights with respect to discussion.

Mr. BRADETTE: Does this item include expenditures in connection with advertising?

Mr. STEVENS: No, that is under another item.

Mr. MALCOLM: What increases have been made in the number of trade commissioners abroad to justify the increase in this vote in face of the fact that general salaries are down 10 per cent?

Mr. STEVENS: Covering the last two-year period there have been six new assistant trade commissioners appointed and there are some slight adjustments. Beyond that I do not think there is any increase.

Mr. SPENCER: Has the minister noticed any particular increase in trade from those countries where we have trade commissioners?

Mr. STEVENS: Under the very difficult circumstances we have been passing through in connection with external trade I am proud to say that very definite benefits are resulting from the services of our trade commissioners abroad, and I welcome this opportunity of paying tribute to the devotion and efficiency of these officers.

Mr. MALCOLM: In 1928 we got along with, in round figures, $425,000, and in the previous year $375,000. Now we are asked to vote $693,000, practically $700,000. I think the minister should give some further explanation than merely to inform the committee that there are six more junior trade commissioners. This is a large increase; in fact it is double the amount voted in 1927-28.

Mr. STEVENS: In 1927-28 the amount was, in round figures, $413,000; in 1928-29, $495,000; in 1929-30, $663,000; in 1930-31, $749,000; in 1931-32, $690,000, and the present provision is $693,000. It is of course clearly understood that the total vote does not go for salaries. There are statutory increases accounting for a considerable amount. There is a variation in the matter of travelling. We have cut that down, our aim being to reduce it to a minimum. Rentals are up to what they were in 1928-29, although down this year as compared with a year ago, and sundry expenditures amounted to $107,000 last year.

Mr. RALSTON: The minister has compared the amount of this estimate with the amounts in previous years, but the house and the country will remember that the situation with regard to revenues in previous years was far different from that which the Minister of Finance will experience this year, and I do not think the country will be satisfied with the alleged paring-down which has been shown in the estimates as announced by the Minister of Finance the other day. It is of course difficult to pick out items; the government knows better what items to pick out. I submit, however, that my hon. friend, in bringing down an estimate which is somewhat larger than the estimate of last year and larger than the estimates in 1927-28 and 1928-29, years when there were expanding revenues, is not doing justice to his colleague the Minister of Finance. In my opinion this amount is too large. My hon. friend suggests that an expansion has been made in appointing more junior trade commissioners. May I suggest to him that he is going ahead a good deal more quickly than the fiscal policy of the government of which he is a member would justify. There is not much use appointsix more trade commissioners while you maintain the fiscal policy of this government. We can pretty well abandon the idea of selling abroad until we decide to change radically the tariff policies of this government. I submit to my hon. friend in the first place that it is not an evidence of economy, it does not help very much, and it will not receive the approval of the country, to find in this vote $7,800 for a director of commercial intelligence. I do not know Mr. Wilgress at all but it seems to me that in these times when,

as the Prime Minister suggests, we are almost on the brink of a precipice so far as national finance is concerned, this is not the opportunity to appoint an officer of this kind; rather some adjustment should be made in the department to render the appointment unnecessary. While I criticize this estimate on the ground of expenditure, I criticize it also from the point of view of the method adopted. It has been done in the past, for this is not the first time that officers have been voted in through estimates. It is in direct contravention of the Civil Service Act, which provides a preference for returned men. This deliberately cuts them out of the preference. A high salaried position is given to a man whose appointment in this manner, although he may be entirely qualified, contravenes the principle which parliament has laid down governing the matter. My hon. friend should give the committee a full explanation as to why it is proposed to blanket in a man at a salary of $7,800 in the face of the financial conditions which exist to-day and in view of the provisions of the Civil Service Act.

Mr. STEVENS: I am very glad my hon. friend invites an explanation, because I feel sure that I can make a satisfactory response to his query. In connection with the office of director of commercial intelligence service, we brought to Ottawa a man whom we considered one of the most efficient in the service, and who, having been in the service for nineteen years, has served this country abroad most effectively in important fields. He was brought to Ottawa for the express purpose of lending to the service in Ottawa his wide and practical experience in trade matters abroad. Not only have I no apologies to make; I am distinctly proud of having made this move. Mr. Wilgress has not only proven himself to be efficient in this regard, but during the recent economic conference he was one of the most valuable officers that Canada had in Ottawa, dealing as he did with the complicated matters of trade abroad. I trust that this will prove to be sufficient justification for the move.

In connection with the maintaining of these services, I do not think it was ever more necessary to study the question of foreign trade and markets in an endeavour to open up and extend markets abroad than it is at the present time. I am not going to be drawn into a discussion on the merits or demerits of protection or free trade. Perhaps the best place to do that is when the budget is before us—it is the time honoured occasion for such a discussion. I will say, however, that there is evidence that in our trade this particular service abroad has shown excellent results. Let me illustrate by a reference to Australia. It will be recalled that our trade with that country was very seriously disturbed because of the fact that Australia depreciated her currency, and put into effect severe import regulations and prohibitions, for the very laudable purpose of attempting to balance her budget and correct her internal financial situation. Of course we have no complaint to make with all that; we have no right even to make observations, but the fact is that it seriously interfered with our trade with that country as well as with her trade with other countries. Subsequent to the consummation of the agreement—

Mr. RALSTON: To what agreement does my hon. friend refer?

Mr. STEVENS: I am referring to the Canada-Australia treaty. For the nine months ended December of the present fiscal year, our exports amounted to $5,489,000 as compared with $3,744,000 for the same period in 1931. This increase took place in spite of the fact that there was a considerable drop in commodity prices generally during the intervening period. I should like to give some quantity increases in various products exported to Australia. For instance, canned fish increased from 67,000 hundredweight to 69,000 hundredweight; canned salmon from 60,000 to 61,000 hundredweight; cotton fabrics from 131,000 yards to 1,130,000 yards; oilcloths from 150 yards, practically nothing, to 102,700 yards; other textiles and fabrics from $967, virtually nothing, to $51,248. The exports of logs increased from 1,800,000 feet board measure to over five million feet; planks and boards, from 37,000,000 feet to 66,000,000 feet and squared timbers from just under 4,000,000 feet to 29,000,000 feet. The increase in paper was from $1,456,000 to $1,565,000 and in wallboard from 2,100 hundredweight to 3,600 hundredweight. Newsprint increased from 456,000 to 591,000 hundredweight while wall paper increased from 87,000 rolls to 121,000 rolls. The figures in connection with automobiles are very interesting. Last year we exported just one automobile while this year the exports numbered 1,581. The value of parts exported last year was $46,000 as compared to $147,000 this year. These figures show a marked increase in our business with Australia.

Mr. RALSTON: Why not give the total trade?

Mr. STEVENS: Unfortunately I have not the figures.

Mr. DUFF: Do those figures include trade with New Zealand?

Mr. STEVENS: No. Unfortunately I have not those figures under my hand, but there has been an increase during the past seven or eight months.

Mr. MALCOLM: From what point?

Mr. STEVENS: The trade has dropped considerably. I think the figures giving the quantities illustrate my point more clearly than the totals. There is no question that the total figures will show a serious decline. I think they were published in this morning's papers.

Mr. MACKENZIE (Vancouver): Would the minister be good enough to obtain the figures for the last three years and bring them down later?

Mr. STEVENS: Yes, I can do that. Our exports of canned fruit to Great Britain during the last nine months were 7,138,000 pounds as compared with 3,980,000 in 1931. The increase in syrups was from 138,000 gallons to 343,000 gallons. The exports of oats increased from 4,800,000 bushels to 7,194,000 bushels. I will give the figures in connection with wheat, not for the purposes of my argument but rather to provide information for the house. Other figures of exports are as follows:

| Commodity— | 1931<br>For nine months ending December 31 | 1932<br>For nine months ending December 31 |
|---|---|---|
| Wheat | Bushels<br>96,000,000 | Bushels<br>125,000,000 |
| Bran and shorts | Cwt.<br>156,000 | Cwt.<br>1,411,000 |
| Flour | Bbls.<br>1,658,000 | Bbls.<br>1,878,000 |
| Vermicelli and macaroni | Lbs.<br>684,000 | Lbs.<br>1,471,000 |

As regards some of these commodities in particular, taking for instance, the last one that I have mentioned, we have made special efforts through the agency of the commercial intelligence service to increase our exports in such things as we are well able to produce, and are meeting with excellent results.

| | | |
|---|---|---|
| Oil cake and meal | Cwt.<br>43,000 | Cwt.<br>75,000 |
| Tobacco, unmanufactured | Lbs.<br>2,708,000 | Lbs.<br>5,842,000 |

And I believe before the end of the season that will be increased to approximately 11,000,000 pounds exported to Great Britain.

| | | |
|---|---|---|
| Honey | Lbs.<br>1,715,000 | Lbs.<br>1,929,000 |
| Bacon and hams | Cwt.<br>93,000 | Cwt.<br>250,000 |
| Canned meats | Lbs.<br>14,500 | Lbs.<br>372,600 |
| Poultry | Lbs.<br>48,400 | Lbs.<br>983,000 |
| Condensed milk | Cwt.<br>57,000 | Cwt.<br>131,000 |
| Oils, fats, greases and waxes | Gals.<br>88 | Gals.<br>17,533 |
| Fish oil | 16,500 | 170,100 |

Then there are a number of smaller items.

| | | |
|---|---|---|
| | Doz. pairs | Doz. pairs |
| Stockings and socks | 2,442 | 18,226 |
| | Cwt. | Cwt. |
| Wrapping paper | 11,900 | 16,800 |
| | Ft. | Ft. |
| Planks and boards | 92,000,000 | 147,000,000 |
| Typewriters | 394 | 9,536 |
| Automobiles, passenger | 211 | 1,511 |
| | Cwt. | Cwt. |
| Copper bars, rods, sheets, etc | 130,600 | 776,400 |
| Lead in pigs, refined lead, etc | 701,000 | 963,000 |
| Abrasives, artificial, crude | 30,100 | 55,500 |
| | | Gals. |
| Coal tar and pitch | nil | 962,000 |
| | Lbs. | Lbs. |
| Cobalt oxides and salts | 154,000 | 238,000 |

There are other items, but these, I think, will indicate the increase at least in certain commodities of our exports by weight or quantity.

Mr. YOUNG: Will the minister tell us from what countries we are capturing this trade?

Mr. STEVENS: It is always, I think, inadvisable on the floor of the house to speak about "capturing" trade from this or that country. We do not wish to stir up the jealousies of competing countries. Perhaps I can say that in many of these items we are capturing trade from the United States, and on some of the items I could name we are capturing trade from some European countries, but I would not care to be too specific in that connection.

Mr. HANBURY: May I ask the minister to repeat the figures he gave in relation to the export of cottons to Australia?

Mr. STEVENS: This is for the nine months ended December:

| | 1931 | 1932 |
|---|---|---|
| | Yds. | Yds. |
| Cotton, fabrics | 131,796 | 1,130,497 |

Mr. HANBURY: Could the minister explain why there is such an increase?

Mr. STEVENS: Because of the advantages given to us under the treaty we made with Australia a year and a half ago.

Mr. MALCOLM: They gave us the same rate as Great Britain?

Mr. STEVENS: Not quite, I think. I am speaking from memory, but I do not think it was quite the same rate.

Mr. MALCOLM: It was only on cotton goods we were able to compete in Australia on not quite as good a rate.

Mr. STEVENS: On certain lines, that is true. As regards cotton goods, one must remember there are literally scores, and, I presume, almost hundreds of different kinds of cotton goods manufactured, but I am told that our cotton factories are exceptionally well equipped in the way of machinery and so forth for the manufacture of certain classes of cottons.

Mr. HANBURY: That suggests the observation that it would seem unnecessary for our manufacturers, when they are able so to compete in the world markets, to have protection against cotton coming into Canada.

Mr. STEVENS: I think any manufacturer would reply to that argument by saying that if they were denied the protection which is commonly afforded, for instance in this country and all countries now including Great Britain, so that they might have the mass production created by the home market, they would not be able to compete in the foreign market. Therefore with the fact of the protection and the access to the home market, the quantity enables them to have a surplus for export at reasonable prices through the lowering of the overhead costs in mass as compared with restricted production.

Mr. HANBURY: If they have the unrestricted home market, that better enables them to dump the surplus in foreign markets.

Mr. STEVENS: My hon. friend can put the case in that way, but I prefer not to agree.

Mr. DUFF: The minister read a number of interesting figures, but in my opinion he failed to tell us what part the personnel of the commercial intelligence service played in getting any of that business. Perhaps he might be good enough to explain to the committee what part the officers of that service played in getting any of that trade with Australia and Great Britain.

Mr. STEVENS: My hon. friend is quite reasonable in his request, but to give a complete or even a moderately complete story of that would occupy a very long time, and I did not come prepared with detailed illustrations. There comes to my mind one illustration. For instance, let us take Australia and the movement of timber. Our trade commissioner in Australia is Mr. Ross, and I think my predecessor in office who now sits on the other side would agree with me when I say that Mr. Ross is a man of exceptional ability and knowledge.

Mr. DUFF: He is from Nova Scotia.

Mr. STEVENS: Yes, and that ought to commend him to the high opinion of almost anyone, even myself. Mr. Ross, by his intense efforts in regard to the market, conditions of sale, and so forth, as well as by making connection between Canadian exporters and Australian importers, was able to increase our sales tremendously. It was not alone through his efforts, because, as my hon. friend from Vancouver-Burrard will recall, representatives of the timber industry went over there; but had it not been for the local knowledge of our representative on the ground, business men going to these countries abroad would have had great difficulty in sensing the local atmosphere and becoming acquainted with the personnel doing business over there. Our files are charged daily with letters from the business men of Canada expressing appreciation of the services rendered to them by our various trade agents abroad. I have no hesitation in saying to the committee that we have in the personnel at the thirty-four or thirty-five stations where they are located a body of trade commissioners of whom Canada can justly be proud and who are rendering a great service to this country. If hon. gentlemen opposite were interested enough to inquire from any of the larger business concerns engaged in the export business, they would find one and all bearing testimony to the splendid services rendered.

We have also in our department a foreign tariffs branch, through which we are able to give to the business men of Canada, from whom we receive inquiries every day, the fullest possible and most up to date information regarding tariffs and other technical conditions in every country of the world. These are the services that are being rendered, and I think they are of very great value to the country.

Mr. RALSTON: My criticism was that the minister was sending these men to do an impossible task, that he was voting this money to pay them and then tying their hands. I submit that that is the position. I am not entering into the argument of free trade versus protection, but I am touching upon the question which has frequently been raised in this house, during the last two years at least, as to whether Canada can extend her export trade so long as she imposes prohibitory tariffs against almost every other country of the world, and irritating exchange dumping duties and other import restrictions which make it impossible for importers to know just how much they are going to pay for their goods. However hard these men are trying to do their job, I say it is not much use to vote this money and then make it impossible for these men to do their work because of the policies put in force by the government. I know Mr. Ross personally, and I know he is an excellent man and that he has done good work in Australia. My hon. friend selects Australia. I happen to have here the figures for all the empire countries, and while we may have gained something with Australia, we must have lost something somewhere else, because for the nine months ending December 31, 1932, our exports to empire countries totalled $176,834,000 as compared with $178,633,000 in the same period of 1931. I doubt if my hon. friend will find a single increase in our exports to countries other than empire countries, and I say that he is not giving his trade commissioners very much chance when his government put into force the tariff policies they do. In what countries are these six new trade commissioners? Are they in Australia, or where?

Mr. STEVENS: My hon. friend misunderstood me. I did not say six new trade commissioners, but six assistant trade commissioners.

Mr. RALSTON: Well, six assistant trade commissioners.

Mr. STEVENS: May I take time to explain the system which has been established, and very wisely, I think, maintained in Canada? After the original group of trade commissioners was set up, each year a small number, six or seven or eight young men are chosen after a very stiff competitive examination, one of the most exacting I believe in the service generally, to be trained for the position of trade commissioner. They start in as junior or student trade commissioners here in Ottawa, where they are trained for one year at headquarters, and brought into contact with business people. Then they are sent out as assistant trade commissioners to our various offices throughout the world, and

are gradually advanced until ultimately they become, after many years abroad, full fledged trade commissioners. We have thirty-five trade commissioners stationed in various parts of the world, most of whom have an assistant, and some in the larger offices have two. In this way the service has been built up. We did open one new office last year in northern China. It was our intention to open an office at Tientsin and at Dairen. We did open an office in Dairen, but owing to the disturbed conditions in Manchuria transferred it to Tientsin.

Mr. RALSTON: Where are the six new assistants?

Mr. STEVENS: They have been sent out in the last few months to Bristol, Liverpool, Brussels, Port of Spain, and Hamburg, and there is one more who has not yet been assigned, but will be shortly.

Mr. RALSTON: I know some of these trade commissioners and the work they are trying to do, and the enthusiasm they show. I do not think my hon. friend himself can express any higher appreciation than I have of what they are trying to do, but I am trying to point out that their hands are tied by the policies of this government. I know Mr. Croft in New Zealand. He had done excellent work. I also know Mr. Scott in Liverpool.

Mr. STEVENS: He has been moved to the Argentine.

Mr. RALSTON: I also know Mr. Palmer, our representative in the Scandinavian countries. But with regard to the point I was raising with respect to this appointment which is being blanketed in under the act, while I am not suggesting that the gentleman is not an admirable man—I do not know him at all—he is being blanketed in at a time when economy is supposed to be the watchword. What amount was paid the director of commercial intelligence previously? Is this the usual salary?

Mr. STEVENS: If my hon. friend will turn to the civil government details, he will find that the previous occupant of that office received $4,800. It will be recalled that the director of commercial intelligence was changed some years ago, and Mr. Poussette, who was an experienced trade commissioner, was sent out into the field and an officer from the department who had not been abroad at all, and was not trained in the service other than in the office mentioned, was put in as director of commercial intelligence at the reduced salary.

Mr. RALSTON: Who was that?

Mr. STEVENS: Mr. Payne. After a year or more of that system I felt it was highly desirable to have one of the best trained men we had in the service, who fully understood the problems, brought to the head office. It was with that idea, and distinctly for the purpose of improving the service generally, that I chose the man whom I considered to be the most experienced and efficient man we had in the service. We brought Mr. Wilgress to Ottawa.

Mr. RALSTON: Where was he?

Mr. STEVENS: He was at that time located in Hamburg. It was done at my request, as a result of a decision I arrived at after most careful study of the whole situation. Mr. Wilgress is not receiving any larger salary than he received abroad, including his allowances; in fact I think it is a little less. So there is no question as far as he is concerned of increase in remuneration. It is a question of putting in charge of a very important service a man who is trained and experienced in the technique of the service. I consider it was a very wise and proper move.

Mr. RALSTON: I assume, of course, that the gentleman who replaced him in Hamburg got the salary that he did, and that therefore there is an increase of $3,000.

Mr. STEVENS: No, the gentleman who replaced him got precisely the same salary he was getting before.

Mr. RALSTON: That is what I say. Therefore there is an increase of $3,000, because under the previous arrangement the incumbent had been receiving $4,800, which now becomes $7,800 and that at a time when we are cutting salaries. I commend that to my hon. friend and members of the house who are looking for economy in these times and who see newspapers containing headlines showing that this government has succeeded in reducing the estimates some $10,000,000 below last year.

Mr. CASGRAIN: Camouflage.

Mr. RALSTON: Yet we find here an increase of $3,000 in the salary of one officer.

Mr. STEVENS: I know my hon. friend does not want to give a wrong impression. There is not an increase of $3,000 in the salary of one officer.

Mr. RALSTON: One office, then.

Mr. STEVENS: I would not even agree to that.

Mr. RALSTON: The increase is in regard to the position of director of commercial intelligence service. The person who was occupying that office was getting $4,800; the person who occupies it now is getting $7,800, at a time when the salaries of civil servants are cut ten per cent and the cost of living is down. I assume the minister made the best bargain possible, but I doubt whether the gentleman, no matter how good, in view of the situation in the commercial world, could not have been obtained for less money than the salary proposed to be paid, which was practically the salary of a deputy minister three years ago.

The second point is that the minister has taken upon himself, and makes no apology for it—if I had done a thing of that kind I would make no apology either; that is the proper attitude, I suppose—he has taken upon himself to override the provisions of the Civil Service Act and to say he is going to make the appointment and come to parliament for approval. The Civil Service Act provides for examination of junior members of the commercial intelligence service. If Mr. Wilgress was to be regarded as such an important officer he should have been taken out of the Civil Service Act. That was not done. Without regard to the fact that returned soldiers are given preference or that the Civil Service Commission are supposed to hold an examination of candidates, the minister makes the appointment himself, and says, "I have made the selection and that is all there is to it." That has been done before, as I say, but in very exceptional cases. I have never approved of it. I do not believe it is the proper thing; it is an ingenious way of getting rid of the act. If it were found by the Civil Service Commission that no returned soldier was qualified for the job—and my hon. friend himself could specify the qualifications; it is his department, then of course under the qualification he prepares this gentleman would get the job. Why not comply with the act instead of asking parliament to rubber stamp an appointment made in contravention of the Civil Service Act?

I criticize the item first on the ground that it is not in accordance with the principle of economy which should be practised at this time; second that there is an increase in the salary of $3,000, and third, that it is a contravention of the Civil Service Act.

[Mr. Ralston.]

Mr. STEVENS: I fear I cannot allow the observations my hon. friend has made to go without an answer. In the first place there is not an increase. The situation is this: Mr. Wilgress was at Hamburg. I have stated the reasons he was brought to Ottawa. There was no increase in his remuneration. We took the trade commissioner from Athens, leaving the Athens office in charge of the assistant who, we felt, was competent to carry on. Thus we saved one salary at Athens, so there is a saving as far as this particular move is concerned of about half the salary of a trade commissioner.

Mr. RALSTON: There is an increase in the amount paid the director of commercial intelligence service.

Mr. STEVENS: No, there is no increase in the amount paid to the official who occupies that office. There is an increase in the amount that is paid to the office, I will agree. But in order to fill that office we bring a man who was already receiving the salary from Athens to Hamburg and leave the Athens office vacant. So the net result is an actual saving. Then my hon. friend says we have brought a man in in contravention of the Civil Service Act. Again I differ from him. We are not seeking to evade the act; the very fact that my hon. friend is discussing it here so freely shows there is no evasion. We bring it frankly before parliament and ask parliament to sanction it. It is true that under a strict interpretation of the Civil Service Act we would have to call for applications by and large, but I submit to my hon. friend—he has occupied the post of a minister—that there are occasions in some of the higher offices of the crown where a minister should have the liberty of exercising some judgment, particularly when in doing so he brings it before the house, states frankly what he has done and justifies to the best of his ability the action he has taken.

Mr. RALSTON: He cannot help doing that.

Mr. STEVENS: When I said I had no apology to make it was not with any desire to affront the house, but rather to assure the house of my conviction of the rightness of the course I had taken and that I am quite willing to take full responsibility for it. I am convinced that it is a strengthening of a service which I think is of great value to the country. We must not forget, either, that the appointee to this office had passed the civil service examinations, was fully qualified

under the Civil Service Act to hold the positions that he held; and it is to be remembered that he is not being taken from the commercial intelligence service into some other branch but is simply being transferred to a position at Ottawa where, shall I say, his extraordinary experience qualifies him to direct that service. I do not wish to say a word of a derogatory character in regard to the previous occupant of the office, but the fact remains that the gentleman had no experience in commercial life and no experience abroad in this service. He was put into that service a few years ago, as my hon. friend knows, direct from the position of private secretary to a minister.

Mr. MALCOLM: He had been secretary of the commercial intelligence department and was promoted on the recommendation of the deputy minister, owing to his long years of experience.

Mr. STEVENS: He was a man who had spent all his time in Ottawa. I would rather not say anything derogatory with regard to his occupancy of the office but I did believe, and I say it frankly, that it was desirable to have at the head of the service a man who had had experience in this particular branch.

Mr. RALSTON: So far as experience is concerned, I test a man by results. Looking at the trade returns for 1928, and 1929 and 1930 and the present returns, I do not think there is much comfort for the minister in the figures there given.

Mr. STEVENS: No one is getting much comfort these days out of anything.

Mr. RALSTON: My hon. friend has not met the point which I must keep before the committee, and that is that if the Civil Service Act procedure had been followed, an ex-service man with qualifications would have had the preference. By proceeding in the way adopted here, you have done away with the provisions of the act so that a qualified ex-service man is given no chance. My hon. friend is ingenious with regard to figures and he can argue as much as he pleases that the situation is the same as it was before. The fact is however that in his own estimates of last year, at page 98, the director of commercial intelligence received $4,800, while in his estimates this year, the item with which we are dealing, the director is to receive $7,800, a difference of $3,000. The fact that there is an assistant in Athens who is able to take charge of the office does not alter the situation in Ottawa, where you increase the salary. If the man in Athens had been qualified he would have been shifted anyway, and the fact that this gentleman came from Hamburg would have made no difference. The fact of the matter is that we are paying $3,000 more owing to the minister's feeling that he, instead of the Civil Service Commission, should fix the salary and make the appointment.

Mr. CHAPLIN: Did his predecessors always follow the rule and leave it to the commission?

Mr. RALSTON: I have said that there have been cases in which it has not been followed—

Mr. CHAPLIN: Many of them.

Mr. RALSTON: —and it was criticized most bitterly by my hon. friends who are now on the other side of the house. I remember particularly an instance in which there was a position in the Speaker's estimates and it was criticized bitterly by the present Prime Minister. I do not find him here this afternoon criticizing this item.

Mr. GERSHAW: I wish to ask a question with regard to the distribution of the Commercial Intelligence Journal. I pointed out to the manager of a large glass factory that there was a notice in this journal one day about a market in another country for a product he manufactured. He stated that he never saw a copy of the journal and that the department had no idea of the line of goods he made. Can the minister state how information of this kind is collected?

Mr. STEVENS: That comes up under another item.

Mr. STEWART (Edmonton): If we are about through with this item I wish to congratulate the minister on enlarging the service, because I am fully aware of the difficulties he is facing and I sympathize with him to the fullest extent. I sympathize with both him and the Minister of Finance. If they are to increase Canadian trade they will need a tremendous staff abroad and in the empire, because this government has never failed to place barriers in the way of trade. Indeed, I am amazed that my friends in the corner have forgotten that fact in their arguments with regard to currency. I am in favour of increasing sales agency staffs because if we do not increase them trade will disappear altogether and the minister will find himself in the unhappy position of having to admit that Canadian trade has entirely vanished. I was rather amused—and I do get amused once in a while at the minister's efforts—to see a sort of camouflage in his citing innumerable

instances in which he has increased trade since 1931. If we had not, there would be no trade at all now, and in consequence the treasury would have suffered much more severely than it has. Surely after three years of an attempt to increase trade in Canada by means of the policies which my hon. friends opposite have put into force, it is nearly time now there was a right about face. If they made a right about face they would give the intelligence service a chance to do something for Canadian trade and help it to expand in the empire and in foreign countries. Until they do so I am in accord with the minister in increasing his staff because he will need to work day and night if we are to dispose of some of our produce, so long as the government refuses to receive the goods of countries to whom it is attempting to sell.

Mr. LAVERGNE: Has the minister considered the desirability of raising the trade commissioners to the position of consul in countries where they represent Canada? I understand that our trade commissioners are in an inferior position in other countries where they have the position virtually of consuls.

Mr. STEVENS: I have given a great deal of thought to that suggestion. Quite a number of prominent and competent persons in Canada have made the suggestion and after giving it a good deal of consideration I came to the conclusion that it would not be wise. In saying that I am expressing my own opinion. Of course, such a change would necessitate action on the part of the government and I am now speaking not the opinion of the Prime Minister but merely my own as head of this department. The reason I came to that conclusion was this. The primary object of a trade commissioner abroad is trade, business, making contacts between Canadian business houses and prospective customers, the compilation of information on trade and all matters appertaining to trade; and the danger is that if you make the trade commissioner a diplomatic officer he will become obsessed with a glorified idea of his position, and I do not say this at all offensively.

Mr. CASGRAIN: A superiority complex.

Mr. STEVENS: Yes; he might develop a diplomatic complex and might pay more attention to the diplomatic than to the trade side of his duties. The only objection is that the trade commissioner in a foreign country, in approaching the government, has more difficulty achieving that objective, that is to say, getting direct contact with the minister than has the consul of another country. That is true; but we must bear in mind that the major part of the trade commissioner's duties consists not in contacts with the government, negotiating between one government and the other, but in contacts between business men in Canada and business men in the country in which he is stationed. While, therefore, I am not adamant on this, I came to the conclusion that it would be better for our trade commissioners to retain the status of purely commercial rather than diplomatic agents.

Mr. LAVERGNE: I always understood that a consul's occupation had relation more to trade. Diplomacy is represented by ministers or ambassadors, but the consul's function relates more to trade. Coming down to the business side of it, on looking over the list of Canadian trade agents I find very few French names. I state openly at this time that I do not think a man should be appointed to any position because of his nationality; qualification should come first, but he should not be kept out of any position because of his French descent. In many countries in South America, in Europe and in Africa the qualification for a foreign trade agent is that he shall be able to speak the language of the particular country, or French. I could name forty-two countries where that qualification is necessary. I am wondering just how many of our thirty-five agents are familiar with the French language and are therefore able adequately to represent this country in trade matters. In many countries French is the language which replaces the language of the country when that is not known to the individual. I am sure that outside of the agents at Brussels, Paris and Cairo, very few of our trade representatives abroad are familiar with the French language. I understand that in Argentina, Brazil, Chile and Peru where a trade agent does not speak Spanish, he conducts his negotiations in the French language. Knowledge of French is a qualification which should be necessary in the appointment of our trade agents.

Mr. MALCOLM: I might say to my hon. friend that I feel just as responsible for these trade commissioners as does the minister. I think my hon. friend is making a mistake when he assumes that our trade commissioners do not know the languages of the countries in which they are located. That is one of the first requirements of a man to be sent to a foreign field. I am not saying that Mr. Langley can speak Japanese, or that Mr. Cosgrave can speak Chinese, as they might be the exceptions. I should like to support what the minister has said against giving diplomatic status to our trade commissioners.

Where there is a minister in the country the trade commissioner could be attached to his office as a commercial attaché and obtain entrée through the minister. It is a very serious matter to recommend that all trade commissioners be given diplomatic status, as that would place them under the Department of External Affairs rather than the Department of Trade and Commerce. While I do not agree that should these commissioners be given diplomatic status they would immediately acquire a superiority complex and neglect their business. I do say that their purpose primarily is to make contacts with commercial houses on behalf of Canadian firms desiring to export. They are able to make all the necessary contacts through their memberships in the various clubs, and I do not think anything would be gained by giving them diplomatic status.

Mr. LAVERGNE: I understand that foreign countries carry on trade matters through their consuls.

Mr. MALCOLM: I cannot give my hon. friend any information as to what foreign countries do here, but I may say that while I was in charge of the department I never found that we lost any business because we had not put gold braid upon our commissioners. I support the minister in not being too anxious to give them diplomatic status.

Mr. DUFF: In giving the figures in connection with the increase in trade, the minister mentioned an increase in cod oil from 16,000 gallons to about 100,000 gallons. These figures show the ridiculousness and stupidity of interfering with trade. I do not want to be regarded as paying a compliment to the recent Imperial economic conference; I am simply referring to one of the results therefrom. Great Britain and Europe, up to the time Great Britain put a tax of one shilling four pence per gallon upon cod oil, were the natural markets for Norwegian and Swedish oil, but since that tax was put on very little of this oil has gone into Great Britain and the other countries of Europe. Canadian cod oil found a natural market in the United States, but due to this policy of interfering with trade, the Norwegians immediately looked for other markets. They came to the United States, and to-day we find Norwegian cod oil coming to Boston and New York while Canadian cod oil crosses the Atlantic to Great Britain.

Mr. COOTE: I should like to make one or two suggestions to the Minister in connection with our trade services abroad. I think we are neglecting a great market in not having trade agents in Russia. Lately we have heard a great deal about the negotiation of what is termed the cattle deal with Russia, the bartering of Canadian cattle and hides for Russian oil. One of the objections urged against the transaction is that the syndicate which has attempted to negotiate this trade has been asking too much for its services. If we had a trade agent in Russia it is possible that he could negotiate such deals. It may be that because of the high tariffs put on by this government and the fluctuating exchange rates we shall have to resort to bartering one class of goods for another, and from what I have heard of conditions in Russia I rather imagine that a trade commissioner might be able to barter some of our wheat which we are unable to sell for some of their kerosene, gasoline and lubricating oil, of which Russia has a surplus. The petroleum products which we might obtain for our wheat could be used by the farmers who grow the wheat. This would be a very sensible thing for a trade commissioner to endeavour to accomplish. We should make every endeavour to obtain trade in every place it is possible to obtain it.

Another suggestion I should like to make is that this service should be enlarged by placing a grain milling chemist in Europe in order to push the sale of Canadian wheat. I mean a man who would be familiar with the milling of our wheat and who could go into the mills in Europe and the old country and demonstrate the superiority of Canadian wheat over other wheats which the miller might be using. I heard a short time ago that the Argentine, Australia and Russia all have such men located in Europe, and I have no doubt that Canada is losing the sale of a considerable amount of wheat through not using similar expert salesmen. We cannot afford to miss any of these opportunities. If such a man could assist in the sale of our wheat, there is no better way in which we could spend some of the money voted to the commercial intelligence service than to employ a well qualified man in that position.

I should like to point out to the minister and also to hon. members that one of the greatest obstacles to trade within the British Empire, trade which the recent imperial conference was supposed to foster, is that the currencies of all the other countries within the British Empire are discounted in Canada all the way from twenty-five to fifty per cent. This is a very serious matter. In about every third issue of the Commercial Intelligence Journal will be found some trade commissioner stating that this is a great handicap to Can-

ada's endeavour to sell our goods in other parts of the empire. I remember particularly, I think it was in the issue of October 15, our trade commissioner in Australia points this out as one of the greatest obstacles to Canada selling her goods to Australia. It is something we cannot overlook. I should like to suggest to the minister that in the Commercial Intelligence Journal, on the page where the exchange quotations for the currencies of different countries are given, the old parity should be given in the table. Last year that was done; at least it used to be done, and for quite a long time it has not been included. It is something that would be appreciated by a good many who are securing copies of the Commercial Intelligence Journal.

Before I sit down I should like to ask the minister just what the Australian pound is quoted at in Canada in the last issue which he may have available, and also the rate of exchange for the New Zealand pound.

Mr. STEVENS: The rate of exchange, of course, varies from day to day, but my recollection of the last Australian quotation of a day or two ago was $2.73, and New Zealand was on a parity with Australia. This is the New York rate as against parity. My hon. friend wants the Australian rate in Canada.

Mr. COOTE: I am just wondering what the Australian pound is worth in Canada.

Mr. STEVENS: The Montreal quotation for January 23 last was $3.09 and for January 30, $3.1849. As regards some of the observations made by my hon. friend, I happen to have under way now steps which I hope, though perhaps not in precisely the way suggested by my hon. friend, will achieve the idea he has in mind, namely, that in wheat and flour purchasing countries, particularly in Europe, our trade commissioners will be peculiarly well informed on the technique of, let us say, the flour content and wheat content. We have considered the question of a special man to be sent around for that purpose. We question for the moment whether this would be as effective as the process we are working on at the present time, and that is to have a highly qualified and scientific person prepare the data which will be placed in the hands of each of the trade commissioners who will be instructed and informed technically as commercial agents.

My hon. friend spoke about bartering with Russia. It must of course be borne in mind that the Russian government handles all the trade of that country, both imports and exports, and the question there is not one of salesmanship but of their government control. I would prefer at the moment not to enter into a discussion of the alleged sale to Russia of a certain quantity of cattle. That was dealt with by the Prime Minister in his statement the other day.

Mr. MALCOLM: When the minister looks over the cost of our foreign business, he has to go beyond the cost of administering the commercial intelligence service and to turn to the amount of money Canada votes for subventions to steamships plying between Canada and foreign countries in order that our trade may be carried. In 1929-30 steamship subventions and the commercial intelligence service cost this country $1,000,000. This year under the estimates which the minister is presenting he is asking the people to pay $2,250,000 in taxes for those two services combined.

Mr. STEVENS: May I interrupt my hon. friend, so that he will not be in error on one point? It must be borne in mind that steamship services include a very large amount for the carriage of mail.

Mr. MALCOLM: There are being subsidized new services which have not been subsidized before. We will discuss those when the items come up. I see the minister has a new service for $659,000 between Canada, China and Japan, and a new one for $535,000, the second one being to Great Britain, a service which did not exist in the old days. These two amount to nearly a million and a quarter dollars. Some explanation will have to be given why so much of the taxpayers' money is needed to help steamships which are lying around ports looking for cargoes. Will the minister after eight o'clock kindly give the figures as to the trade of Canada for the years from 1926 to 1932 and the cost of the commercial intelligence service and steamship subsidies for the same period?

Mr. STEVENS: I shall try to have that for my hon. friend.

At six o'clock the Speaker resumed the chair and the house took recess.

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## After Recess

The house resumed at eight o'clock.

### PRIVATE BILL

#### SYNOD OF THE DIOCESE OF SASKATOON

Right Hon. W. L. MACKENZIE KING (Prince Albert) moved the second reading of Bill No. 16, respecting the synod of the

diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon".

He said: Mr. Speaker, the purpose of this bill is to change the name of the Synod of the Diocese of Saskatchewan to the Synod of the Diocese of Saskatoon, and to provide that all existing rights are not affected.

The Synod of the Diocese of Saskatchewan was incorporated by dominion statute in 1882, that is before the province of Saskatchewan was established in 1905. The Diocese of Saskatchewan so incorporated is to be divided into the Diocese of Saskatchewan and the Diocese of Saskatoon. All matters relating to the division of property come within the competence of the local legislature, and will be dealt with by an act of the legislature of the province of Saskatchewan at its present session.

The southern part of the present Diocese of Saskatchewan will become the Diocese of Saskatoon, and the northern part will become the Diocese of Saskatchewan under the act of the local legislature. The Diocese of Saskatoon will function under the charter of the Diocese of Saskatchewan, which necessitates the change of name from "Saskatchewan" to "Saskatoon" in the dominion act.

Motion agreed to and bill read the second time.

## SUPPLY

### DEPARTMENT OF TRADE AND COMMERCE

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

Mr. MACKENZIE KING: The minister was to give some information, I think, to the ex-minister.

Mr. STEVENS: Yes, I shall be glad to do that in a moment.

Mr. MOTHERWELL: In the meantime, referring to the figures which the minister quoted this afternoon showing a greater export of wheat this year as compared with former years, an export of over 100 million bushels this year as compared with about 90 million bushels last year, I should like to know to what particular policies of the government the minister attributes that increased shipment.

Mr. STEVENS: If the hon. gentleman had been listening to me he would have noted that I said when I interpolated those figures that they had no particular reference to the point I was then discussing, and that I gave them merely for information. The figures I gave showed an export of wheat for the nine months ending December 31, 1931, of 96,000,000 bushels, in round figures, as compared with 125,000,000 bushels in 1932. The hon. gentleman now asks to what particular policy of the government we attribute that increase. It is not attributed to any particular policy. There has been an increased purchase of Canadian wheat by Great Britain; no doubt the six cents a bushel preference had some influence during the latter part of last year, but we are not arguing that that accounts for the whole increase.

Mr. MOTHERWELL: I am glad that my hon. friend can see it that way, because the preference has been in effect only a very short time.

Mr. STEVENS: I have already said that.

Mr. MOTHERWELL: The minister will not mind my repeating it. I think a much more likely explanation of the increased export is, first, the large crop last year, secondly, the high quality of the wheat, and thirdly, its extremely low price, all of which tended to bring about a larger export to Great Britain. I think those are much more likely reasons than the one assigned by the minister.

Mr. DUFF: The minister was good enough this afternoon to give some figures of the export of lumber from Canada to Australia. I noticed in answer to a question asked by myself and which the minister answered that $268,000, in round figures, was paid in subsidies to steamers carrying lumber from this country. Would the minister be good enough to say if the same treatment was meted out to lumber interests on the Atlantic coast in connection with shipments to Australia as was meted out in other parts of Canada?

Mr. STEVENS: The matter to which the hon. gentleman refers was dealt with in a question the other day. I am not quite certain how he arrives at the figure he quoted. I have not the figures in mind in detail at the moment. There are certain subsidies paid to shipping on the Atlantic as on the Pacific. Up to the present the steamship service between our eastern ports and Australia and New Zealand has been carried on by the Canadian National Steamship service, which, of course, receives no subsidy. There are other services from our Atlantic ports, one to South Africa, which for the last thirty years has been carried on with an annual subsidy of between $100,000 and $125,000. That is a regular service and one of the oldest subsidized services that we have. Then we have

a subsidized service to China at the present time which is finding a market for a class of lumber which is very difficult to market in Canada or Great Britain—in fact cannot be marketed there—that known as common. That service is very successful, carrying a great deal of lumber to that market.

There is at present no subsidy for the service to Australia. There was a subsidy under a contract entered into about four or five years ago to Australia, but that contract expired last year. In the latter three years it was designated in the estimates as "Canada to Australia and /or China," and it was optional whether it be to Australia or China. For the last three years the subsidy was paid for a service to China, not to Australia; but during the past year the increase of lumber shipments to which my hon. friend refers was largely, or entirely due, to the additional preference secured under the trade agreement with Australia.

Mr. DUFF: With all due respect I think I am quite in order in referring to the fact that some $268,950 was paid from August, 1929, to December, 1932, to ships carrying lumber from Canada. My reason for saying I am in order is that the minister this afternoon was good enough to give full particulars regarding exports of lumber from this country. In my question which appears on page 1686 of Hansard I asked:

1. What amount has been paid by the Dominion of Canada to ships carrying lumber from British Columbia ports?

And the answer given was, $268,950. I have no objection to the shipments of lumber being increased, but I say that every port of this country should be treated alike. If it is thought advisable that steamships should be subsidized to carry lumber from British Columbia ports to Australia, then it seems to me that Atlantic ports and Atlantic shippers of lumber should be put in the same position. It is not quite fair if no money has been paid by this government for subsidies to encourage the lumber trade from Atlantic coast ports. The government should seriously consider this matter and put all our ports on the same basis.

Mr. DONNELLY: We all recognize these days the difficulties in the way of international trade, on account of the high tariffs different countries have put into effect and the barriers of extreme nationalism. We recognize that it is necessary for this country and all countries that are endeavouring to trade with one another to have agents, ambassadors, consuls in the different countries to promote trade. I hold in my hand a clipping from a newspaper which purports to lay before the people the new deal which the president-elect of the United States proposes to put into effect. His program is arranged under seven heads, and I notice that the seventh is: "Restoring foreign trade by general debt-tariff adjustments, and by Business with Russia." Arising out of that I would like to ask the minister what steps his government is taking to promote trade with Russia. Have we any agents there? Are we doing anything at all to promote trade? Russia seems to be the one country in the world that many nations are looking to for trade. Are we doing anything at all along those lines?



Mr. STEVENS: The document presented to the house by the Prime Minister the other day I think covers the situation. There is little I can add to what was said by him in that official statement. However, my hon. friend and others who have made reference to Russian trade should bear in mind certain facts. The first is that all exports and imports of Russia are under the direct control of the government of Russia. The second is that during the past five years Russian purchases have almost invariably been based on long term credits, or what in ordinary trade would be considered long term, that is, from say eighteen months to as much as three years. The question of the extending of credits to Russia by the countries from which these goods are exported, either by a private exporter or a private exporter assisted or guaranteed by the government, is a matter of grave importance. Up to the present time this government has not considered it advisable or desirable that we should place this country's resources or credit behind the financing of the sale of goods to Russia. I grant that the subject is one for discussion; much may be said upon it. But I do not think that at the moment, and under existing circumstances, much can be said strongly in support of it. It is not my desire to reflect in any sense upon Russian methods; those are of their own choice. It is equally clear, however, that the question whether or not the government of Canada shall place its resources behind goods that leave this country to go to Russia is one that we ourselves must decide, and up to the present we have not decided in favour of it.

Mr. DONNELLY: I thank the minister for his pronouncement. When he says that the government of Russia does all the trading in that country, we recognize that fact, and that makes it all the easier. We have not to travel all over the country to see various individuals; we go to the government. We have only to interview them; we do not need a band of agents throughout the country. But I understand that in many cases Russia is willing to

barter, in the purchase of steel rails and cattle, for example, to barter oil. Is the government willing that we shall trade on a fair basis with those people? Will it give anyone who wants to trade with them a clear bill so that they may be allowed to do it? No one wants to trade with Russia in steel rails and then find when they get the oil on the ocean that the government is going to put on an embargo or prohibitive duty and prevent it from landing. A year ago when we were investigating the oil situation there was an offer of oil from Roumania. We went to the trade department and tried to get them to tell us what duty they would put on, and they would not tell us. Under those conditions you do not know whether when you got a boat load of oil to Montreal they would put on a prohibitive duty. No one can trade under those conditions. If the government will give a written guarantee to people bringing goods from that country that prohibitive measures will not be enforced against them and they are at liberty to trade, they will know whether you are willing to allow these goods from that country to come in.

Mr. STEVENS: Perhaps I may take advantage of the observations of my hon. friend to clear up a point which apparently is obscure in the minds of many. My hon. friend, in his concluding remarks, said something to this effect—he will correct me if I am wrong—that if the government would guarantee that, when the goods arrived here, they would be treated in a given manner there would be an opportunity of trading; and he suggested that this was one of the essentials of trading. I see he nods his head in concurrence. Let me point out that in no item of our trade, and with no one in Canada, do we do that. Let us get that clear in our minds. In all our business, to no one do we give any such guarantee. Surely we should not be expected, in trading with Russia, to do anything different from what we do with others. Instead of putting it negatively let me state it in a positive form. There is nothing in the world, nothing in this country that prevents anyone who wishes to buy from or sell goods to Russia from doing so, with certain limited exceptions, those exceptions being coal, pulpwood, furs and lumber. I believe these are the four items, and with the exception of these items anyone in Canada can sell to or buy from Russia or barter anything he wishes to. He can do so within the ambit of the law. We say to everyone: There is the statute law of the country; we have no desire to interfere with it and you can trade so long as you remain within that law.

My hon. friend mentioned oil. He said that no one knew, if he bought oil, whether he would get it into the country. Anyone who wants to bring in a cargo of oil can do so if he keeps within the terms of the statute; in conformity with the terms of the statute he can do so at any time without let or hindrance. But here is the difficulty. There are some who desire to bring into Canada, under the guise—I use this term not offensively but for convenience—under the guise of crude oil, an oil that is partly refined. Apart from Russia we have had some experience in that regard. There was a desire to bring in what was called skimmed oil; and though it does not come within my official knowledge, I may observe by way of illustration that I have been told there are those who desire to take a refined gasoline which has been mixed, after refinement, with fuel oil to a certain extent to disguise the nature of it, seeking to enter that as a semi-refined oil. If you will turn to the statutes you will find there the schedule fully set forth in technical terms —a certain specific gravity, certain degrees, 60 degrees, 2,700 and so on, the usual description peculiar to that class of goods. It is all specifically set forth, some being free and some dutiable according to the nature of the commodity. Now, if there is anyone in Canada who desires to do so, he can bring in a cargo of oil to-morrow in conformity with the laws of the country. People can buy or sell anything they like provided they comply with our laws. The only thing this government has refused to do is to use the credit of the country, either on its own part or behind individuals, in a movement of goods from this country to any other country or the reverse as the case may be.

An hon. MEMBER: Not including wheat?

Mr. STEVENS: Yes, including wheat. We are not putting the resources of the country behind the sale of goods to other countries, and this includes Russia.

Let us look at the items in the order in council. First there is coal. Why did we take the action we did in that regard? Well, there was an opportunity of giving to Great Britain a very substantial market for Welsh coal. We were buying large quantities of anthracite and it was thought desirable to let Great Britain have a substantial share of that market, so we put on a small duty of 40 cents a ton, which had a tendency to turn the business to Great Britain. Had we not put on an embargo against Russian coal, mined

under conditions which are not compatible with the normal ethics of business and labour in any other country, then Russian coal would have come in and Great Britain would have had virtually none of that market. We are consciously giving that business to Great Britain.

Next there was the question of pulpwood. It started out, as a matter of fact, with a shipment of pulpwood which came up the St. Lawrence—hon. members from Quebec will probably recall this better than I do—and was shipped down into the States through one of the short routes south from the St. Lawrence river, and the intention was that that pulpwood was to come to Canada. Now, here we had a pulp and paper industry not in a flourishing condition, to put it mildly, with thousands of settlers and small farmers who were selling pulpwood to the industry and whose business was threatened by the importation of Russian pulpwood again, I say, produced at costs and under conditions which we in this country did not consider a desirable type of economic production to promote.

Mr. CANTLEY: Produced by penal labour.

Mr. STEVENS: I am putting it as mildly as I can; at any rate, under conditions that we do not wish to encourage. We therefore put an embargo on pulpwood. The same applies to furs, although that item was modified later. At the time it was put on it was known that Russia had vast quantities of furs which they were willing to part with at almost any price, and we felt that the fur industry of this country, which is very important, was entitled to consideration. The same applies to lumber.

Let this also be borne in mind, that the main object behind Russian exports is the securing of foreign credit, not necessarily to get for the product a price that will pay a legitimate cost of production with profit internally, but simply to create a foreign credit. That is the object of their export and it did not matter to them, by and large, whether they got a profit on the particular individual export, because in their main operations, their large operations as a government, they were able to absorb losses on exports by some other manipulation internally. Anyone who studies their financial statements, their budgets, will see that clearly provided for. Let us turn to the experience we had two years ago last fall, in 1930. We were trying to ship wheat to Great Britain. I myself, my colleague the Minister of Justice, the Prime Minister and other members who were in London at the time saw ships with cargoes of seven, eight and nine thousand tons of Russian wheat. In my mind's eye I can see a cargo of 7,000 tons of wheat which arrived at Bristol on consignment. The broker to whom it was sent was standing beside me when the hatches were broken open and he told me that he had instructions to sell the wheat at any price he could get. That wheat was offered throughout the country at any price and as a result the Liverpool market broke six cents per bushel. It is impossible to compete with articles sold under such conditions. My hon. friend speaks of selling wheat to Russia. I have looked into this matter with some care, and at the present time there does not appear to be any official or reliable information to the effect that there is a market for wheat in Russia. We know that in some sections of Russia there is need of wheat for food purposes, but we have no authentic information that that country purposes buying wheat. Last year we sold about 3,000,000 bushels which were imported through the Siberian ports mostly for seed purposes, although I think some was used for food. There is nothing before us at the present time to indicate that the Russian government has any intention of buying this commodity. If there are any other questions with which hon. gentlemen would like me to deal, I shall be glad to do so. In these few brief remarks I have endeavoured to outline the situation which exists in connection with this sort of business.

Mr. CANTLEY: I should like to inquire of the hon. member for Willow Bunch (Mr. Donnelly) what authority he has for the statement he made that Russia wants to buy steel rails from Canada

Mr. DONNELLY: I do not know that Russia wants to buy steel rails. I simply asked what the government would do if Russia wanted to buy steel rails.

Mr. CANTLEY: You say that they did.

Mr. DONNELLY: We have been told that we are at liberty to trade with other countries, but I can remember in 1932 when the banking and commerce committee was investigating the price of gasoline I went to the Department of National Revenue, and had another man go two or three times, in order to try to find out what would be the duty upon gasoline coming in from Roumania. They said that they would have to find out the price of gasoline in Roumania and the value of Roumanian money, and would let us know the duty later. I know of an importer

who was offered a tanker of gasoline laid down in Montreal at six cents a gallon, but he was unable to find out how much duty he would have to pay. He would not import any gasoline because he was afraid that when the boat was on the ocean he would be informed that there was a duty of ten cents per gallon against his gasoline. We want to know what the duty will be on commodities coming from Russia or if any other restrictions will be imposed. As I said, apparently the president-elect of the United States is ready to assist trade with Russia, and I want to know if this government is going to assist or prevent such trade.

Mr. STEVENS: Before dinner the hon. member for North Bruce (Mr. Malcolm) asked for certain information, which I am now prepared to give him. The figures he asked for are as follows:

| Fiscal year ending March 31 | Value of imports into Canada | Value of exports from Canada | Expenditure on commercial intelligence service | Expenditure on foreign steamship services | Expenditure on local steamship services | Total expenditure on steamship services |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| 1926 | 927,328,732 | 1,328,700,137 | 320,837 | 547,768 | 507,874 | 1,055,643 |
| 1927 | 1,030,892,505 | 1,267,573,142 | 357,415 | 395,717 | 613,281 | 1,008,998 |
| 1928 | 1,108,959,466 | 1,250,598,034 | 413,294 | 223,999 | 620,593 | 844,593 |
| 1929 | 1,265,679,091 | 1,388,896,075 | 495,184 | 328,183 | 698,191 | 1,026,375 |
| 1930 | 1,248,273,582 | 1,144,938,070 | 663,378 | 445,175 | 669,971 | 1,115,047 |
| 1931 | 906,612,695 | 817,028,048 | 749,634 | 582,216 | 740,528 | 1,322,744 |
| 1932 | 578,503,904 | 587,565,517 | 690,609 | 2,322,038 | 671,687 | 2,993,725 |
| 1933—Estimated | | | 669,068 | 1,482,850 | 602,852 | 2,085,702 |
| 1934—Estimated | | | 693,487 | 1,582,850 | 590,080 | 2,172,930 |

It is impossible to give the trade figures for 1933 and 1934, and it will be noted also that the other figures for those years are estimated.

Mr. IRVINE: I am not very clear as to the reasons given by the minister for not encouraging the proposal made to barter Canadian cattle for Russian oil and other products, nor do I know that such proposal had the official sanction of the Russian government. The rumours going about are that such a proposal was made to the government, the suggestion being that the government put up sufficient credit to enable those engaged in the business to pay the Canadian people for their cattle which would in turn be exchanged for the Russian products. I cannot see how such a transaction could be considered as dangerous to the government, as apparently the Russian government would not enter into the picture. Their products would come in here and our products would go to Russia in exchange; the government would merely have to wait until our Canadian firms sold the Russian products in this country in order to reimburse the government. In what way could such a deal be financially dangerous for the government?

Mr. STEVENS: I thought the statement which the Prime Minister made the other day completely covered the case.

Mr. IRVINE: I am sorry I did not hear it and I did not read it.

Mr. STEVENS: Then I certainly recommend that my hon. friend read it with care.

Mr. IRVINE: The statement just made by the minister was the basis of my question, regardless of what the Prime Minister may have said.

Mr. STEVENS: I shall deal with the matter again. The hon. gentleman asks: Why should the government not have sanctioned and supported—and I presume he means financial support—and backed the proposal made by Mr. Serkau in regard to the exchange of 100,000 head of cattle. I think I can put the case clearly and concisely by saying this: In the first place, the proposal by Mr. Serkau contemplated, according to his own written word, a sum amounting to $8,000,000. That is his own estimate. In other words, he says that the total amount, including freight, payable by the Russian government for 100,000 head of cattle will be in the neighbourhood of $8,000,000. Let us keep that fact in mind, because later on in his letter he states that he hopes the transaction will not involve more than perhaps $1,000,000. The fact, however, remains that the total amount involved is $8,000,000. The second fact to bear in mind is this: it is clear, according to this written proposal, that

they do not expect the Russian government to pay completely for those cattle until June, 1935. That is quite in harmony with what I said a moment ago was the common practice. The point is this: The sum of $8,000,000 is involved, and payment will be, presumably in a progression of payments, between now and June, 1935. The third point to keep in mind is that we are asked to accept Russian 7 per cent bonds, payable in June, 1935, for whatever sum may be outstanding. The fourth fact is that Mr. Serkau says, also in writing, that those cattle ought to be shipped before November next, so that the total liability would be incurred before that time. Another fact is that Mr. Serkau asks us, in addition to assuming responsibility for this liability, to guarantee them against any possible breach of agreement by the Russian government. These are things we felt we were not warranted in doing. First we did not think we were warranted in using $8,000,000 of this country's credit, or money, as the case might be, for the export of live stock to Russia. In the second place we did not think we were warranted in guaranteeing those involved in the transaction against the possibility of any breach of contract by the Russian government.

Then we come to the question of exchange of commodities, to which my hon. friend has referred. The suggested exchange of commodities consists of a number of items: petrol in its various forms, lubricating oil, anthracite coal. I have already made it clear that we do not consider it advisable to sacrifice to the Russians the British coal markets in this country, and that is the reason we imposed an embargo. We do not think it advisable to change that. This eliminates anthracite coal. In so far as kerosene, lubricating oil and petrol are concerned, if any private person desires to purchase these commodities, they may be brought into this country now under the regular tariff under which anybody else can import them. But we do not think it advisable for this government to offer to Russia or any other country, such as Roumania, if you like, any particular guarantee that we are not going, at any time within the next few years, to make any changes in the tariff or any such changes as that. Obviously no government could pursue that course. We say to them: There is the statute law; you are at liberty to import goods within the confines of that law just the same as is being done to-day from South America and other parts of the world. I do not think anything is to be gained by labouring the point, but that is our conclusion.

[Mr. Stevens.]

Furthermore, let me make this abundantly clear. There is not one syllable in this document to show that the Russian government is even cognizant of this proposal. We are told orally that they saw officials of the Russian government, but there is not a scrape of a pen or any credential to show that the Russian government is a party to this transaction.

Miss MACPHAIL: This is a question I want to ask the Minister of Trade and Commerce. Is it not true that farming in Canada is actually threatened? Farming in this country has been seriously injured, not only by uncertainty as to what the cost of products would be when brought in from Roumania or Russia, as well by the uncertain cost of goods from Great Britain. This uncertainty is one of the things that has caused real suffering in the last two years. On the export of farm products from Canada to Great Britain, we were quite sure we would lose in exchange because our money was dearer than British money, but when the goods that the farmers might have bought with that money in Liverpool should have come into this country much cheaper because of the cheaper money of Great Britain, it is true—and I think the Minister of Trade and Commerce must acknowledge this at any rate in his heart—importers here in attempting to bring in British goods, to say nothing of Russian, were never sure what the taxes against those goods would be. There was always uncertainty. There were some very grave injustices, such as valuation of goods at a parity with the pound, then the superimposing of the tariff on that, adding to that three per cent on the excise duty paid value plus six per cent on that and then plus a dumping duty that varied from time to time. Quite apart from trade between Canada and Russia, trade between Canada and Great Britain has been very greatly injured by the uncertainty of the importers' position.

As regards the question of the government not caring to make guarantees or advance moneys, some years ago the government of this country sold goods to Roumania, and in that case they were not protecting the farmer or seeking to alleviate his difficulties. At any rate they did advance a very large sum of money for the purchase of goods in this country. Is it not also true that very recently money was advanced for the relief of Newfoundland? The Minister of Trade and Commerce will know whether or not that is true. It is true, at all events, that the government of this country by order in council

saw fit to come to the aid of the distressed furniture industry in this country and of the Canadian Pacific Railway. Personally my way of approaching this subject is simple. The agricultural people of Canada are suffering in a way that is not good for this country. Apart from the fact that it is bad for the farmer himself, it is having a very ill effect on the whole dominion; the trade and commerce of the whole country is being very seriously injured by lack of purchasing power on the part of the farmers. If there is a possibility—may I say to the minister?—if there is a possibility that Russia will take cattle and hides from us at prices as good as or better than they can now be sold for or exchanged for oil or any other product, then I think it is the business of the government to do what they can to promote such a bargain. What is the use of having trade commissioners and whatever other names you call these people who go out to drum up trade throughout the world if we are not going to make the greatest possible use of a potential market? Because whether or not we make a trade with Russia of our cattle and hides for oil and other Russian products, undoubtedly there is a potential market in Russia for Canadian products, and I think we should do all we can to make use of a market which we very greatly need.

Mr. VALLANCE: Following the argument of the hon. member for Southeast Grey, I recall that we had two very definite illustrations of what is being done when we were putting through the economic conference agreements last year. It will be recalled that at that time, when we were dealing with barbed wire, the Prime Minister said that a certain quantity of barbed wire was offered to Canada from Holland, and he proposed to place an arbitrary valuation on that product to shut it out. The same with cream separators; a duty of twenty-five per cent was imposed against foreign separators, and we found from the statistics that cream separators were coming into Canada from three sources, Sweden, Finland and the United States. I myself put this question to the government at that time: If it were possible for Sweden to pay the twenty-five per cent duty on cream separators and ship them into this country, would the government allow them to come in at the valuation placed on them, plus twenty-five per cent? No answer was forthcoming, and naturally not, because we knew that the government would not let them come in.

As regards the cattle deal, the minister knows, or at least I think he knows, that unless Canada is able to deliver 100,000 head of cattle before the first of November, 1933, it will do no good to the industry. The syndicate which has been negotiating through the Minister of Agriculture is prepared and able to-day to deliver from one thousand to two thousand head a month to Russia, or at the most twenty-four thousand head a year, which is only a drop in the bucket in the cattle trade of Canada. In order to get any benefit there should be some means whereby it would be possible for us to deliver 100,000 head of cattle now. That would relieve the cattle market, and would probably raise the price of cattle, as is suggested in the memorandum, from 2¼ or 2½ cents up to four or five cents a pound. I am sorry the whole discussion of this cattle and oil deal has come up to-night because the Prime Minister promised that there would be a specified time fixed when we could discuss it. There are some angles of it on which we wish to obtain more definite information, because we believe that the government have further communications than they have yet revealed, and we propose to ask for them. The Prime Minister when he was reading the memorandum the other day said that subsequent to December 23 there had been no communication with him by Mr. Serkau, but some of us have been led to believe that further information can be given, and the hon. member for West Edmonton has already made the suggestion to the Prime Minister that certain documents and correspondence be tabled. We propose definitely to ask for further information, because we believe that there is a great deal more to be known than has already been revealed with regard to this cattle deal. The Minister of Trade and Commerce shakes his head, indicating that there is nothing further. I would ask him one question: If he will read the statement of the Prime Minister the other day, he will see that it was stated that after Mr. Serkau had the interview with the Minister of Agriculture he proceeded on two occasions to New York. Why did he go to New York? Did he go because of the fact that he received some suggestion that it might be beneficial to Canada if he went there and saw what he could do? According to the statement of the Prime Minister, there was no such suggestion made to him. In support of what the hon. member for Southeast Grey has said, I believe the government should do something to help put this cattle deal through.

Mr. STEVENS: I do hope, Mr. Chairman, that I can make clear that there is no mystery so far as the government is concerned about this cattle and oil deal, so-called. The only

thing before the government in regard to this deal is the document read by the Prime Minister the other day. If there be other correspondence, I do not know. Certainly there is none with me. But I do know that this is the sum total of the proposals. Mr. Serkau came to see me on January 4, of this year.

Mr. MacMILLAN: What nationality is he?

Mr. HANBURY: What does it matter?

Mr. VALLANCE: He is a Canadian, born in Manitoba.

Mr. STEVENS: Mr. Serkau gave me a copy of this letter written to my colleague, and also a copy of the memorandum. He laid the memorandum on my desk, and it is headed, as hon. gentlemen will recall; "Suggested conditions of a trade transaction between the U.S.S.R.", hereinafter referred to as the "Union," and so forth. I said to Mr. Serkau the first thing, as I turned over this memorandum and saw there was no signature, "This is not a signed agreement." "No," he said. Then I asked, "Is it an official agreement with the Russian government?" "No," he replied. Then after further conversation which I shall not go into, Mr. Serkau frankly admitted that it was a memorandum of the conversations which he had had with the Russian officials of Moscow. Who they were I do not know. Mr. Serkau also mentioned something similar to what my hon. friend has said, that he was anxious to serve the cattle interests of Canada, and I suggested to him that it would probably be better to be perfectly frank about the matter and say that his chief interest was, as is disclosed in the memorandum, "the price of live stock to be cost plus cost of purchasing, maintenance, freight, insurance, etc., plus one cent per pound." I have no quarrel with that, and I told him frankly that I quite understood and in a measure perhaps respected anyone who would make whatever profit he could. But I did say this, that certainly no government with any regard for the taxpayer's money would guarantee bonds in a transaction up to $8,000,000 or would guarantee against the government of Russia making a breach of its contract, and pay brokerage of one cent a pound on the purchase of live stock at the figures suggested by my hon. friend, two and a half to three cents a pound.

Mr. VALLANCE: No, four or five cents.

Mr. STEVENS: All right, say five cents. We would not be justified in putting the taxpayer's money behind it. On 100,000 head of cattle it means about $600,000.

[Mr. Stevens.]

Mr. VALLANCE: Does Mr. Serkau suggest in his memorandum that the government pay that?

Mr. STEVENS: No, Mr. Serkau says the commission will be paid by the Russian government. But almost any person knows perfectly well that whether you get your commission from the one who buys or the one who sells, it is part of the transaction. To me that was a meaningless statement.

Mr. DONNELLY: What difference does that make?

Mr. STEVENS: I do not know that it makes any.

Mr. DONNELLY: Then why bring it up?

Mr. STEVENS: For this reason; if we were going into a transaction and putting $8,000,000 of the taxpayers' money behind it we would do it ourselves; we would not retain someone else at one cent a pound.

Mr. DONNELLY: Do you not do it every day in government business?

Mr. STEVENS: No, not at all. Certainly we do not do that sort of thing. I trust my hon. friend will at least understand that there is no mystery behind this. Anyone is at perfect liberty to do it; we say we do not wish to do it, certainly not under these circumstances.

Mr. IRVINE: I should like to ask the minister if the government has taken any steps whatsoever to find out from the Russian government, apart altogether from Mr. Serkau's proposal, whether they would be prepared to exchange oil for cattle; or made any inquiry to see whether there are firms in Canada who would take the oil from Russia, whether we cannot make an arrangement by which we would give cows for gallons, and let the Russians land their oil first and ship our cows later.

Mr. STEVENS: I may say to my hon. friend and to the house, very clearly, that this government has not entered into negotiations with Russia or any other country for the barter of cows for oil or gallons for hoofs or anything of that character.

Mr. CANTLEY: I want to refer to a remark made by the minister in regard to the embargo on anthracite coal from Russia being due to a desire to assist the British coal industry. I would remind him, with all deference, that the original embargo was placed in consequence of the fact that the Russian government were shipping to Canada, both to Montreal and to Nova Scotia, very consider-

able quantities of rewashed slack, the accumulation of a considerable time. That coal was mined by practically forced labour. When air-washed as it was it gave a type of fuel better than anything we could then or now produce because it was anthracite, absolutely clean, with a very high fixed carbon and low ash content, and was offered at a price less than that at which we can produce bituminous coal in Nova Scotia. That was the reason the original embargo was put on. I think it advisable to have that clearly stated, because that was antecedent to any consideration in favour of the old country coal miners.

Mr. STEWART (Edmonton): I would also like to have a word in connection with coal. I supposed, from the statement of the Prime Miister, that we would have an opportunity to discuss the cattle deal at some later day; I did not know it was coming up to-night. Before addressing myself to the question of coal I want to congratulate my good friend from Southeast Grey—I am sorry to see she has left the chamber—upon realizing that duties have something to do with trade, and that embargoes are having a very severe effect upon the farming community of this country. I would ask some of my other friends also to take note of the fact that excessive duties are crippling that industry almost completely. Finance and currency may play some part, but after all the fundamental difficulty lies in the tariff.

Let me say this with respect to Russian coal, especially to my good friend with whom I have had many controversies. When Mr. Thomas came to Canada with a view to inducing us to take more British coal he was not greatly interested in selling anthracite in Canada. What he wanted to sell was bituminous coal. I know perfectly well that my good friend, who was so very mild in his remarks to-night, would not be quite so mild with me if I were to agree to anything of the kind, because if ever an attempt was made to bring British bituminous coal to Canada we would certainly hear from the hon. member for Pictou. I heard from him when an attempt was made to encourage the importation of anthracite. Mr. Thomas stated very frankly on that occasion that they had a market for nearly all their anthracite production. I urged him to get into our market. We were importing about three and a half million tons from the United States at that time. The amount had been reduced considerably owing to the fact that use had been found in furnaces for the product of the mines of Nova Scotia, or the Canadian product, but we were still importing three and a half million tons. The British shippers gradually came in, as fast as they were able to provide the necessary coal, and took their share of this market, until to-day I am glad to know that they are shipping in something like 1,300,000 tons of anthracite coal. At the same time cargoes of Russian coal began to come in, the kind of coal that my hon. friend has described. And a holy row was raised, because this coal was mined, they said, in some cases by convict labour and in some cases by women. But I notice they did not sell it at any lower price in Montreal in competition with the British and American coal, notwithstanding the fact that it was stated that the dealers were making a tremendous profit.

What did my hon. friends do when they came into office? Did they seek to get the price lowered of this very important fuel in Canada? No, they immediately put on a duty against American coal, in order, they said, to encourage the importation of British coal. But I am sure it was not necessary for that purpose; the British anthracite would get the Canadian market as fast as they could supply it up to at least three million tons. They could meet the competition of the American. There was not one ton of British coal supplanted by the Russian product that came in; it was the American product that lost out. And we were not very anxious to have the American product come into Canada if we could get the coal from some country with whom we could do some business in exchange for it.

That is the situation. There was no necessity for the consumers of this country being charged that additional forty cents a ton on a commodity so important for a cold country like Canada. It does not help the importation of British coal by so much as half a ton. That is my statement in connection with the matter, and I have gone into it very thoroughly. But when this government put on a duty, when they force the consumers of Canada to pay more for products they must have, the excuse always is that it is to help someone, in this case the British coal miner. The Prime Minister made a great deal of that the other day. I can say to him without much fear of contradiction that he need not worry about the British coal miners; they can take care of themselves in competition with Russian or American anthracite. My hon. friend shakes his head, but they did so before; when my hon. friend came into office, coal was at about the same price as it is to-day. When the government that preceded this came in, anthracite coal was selling at $17 or $18 a ton; it was reduced to $14 and it has been

hanging around $14 ever since. So I say without any fear of contradiction that there was no occasion for the action this government took except the desire to raise the price to the Canadian consumer.

Mr. STEVENS: I cannot allow the hon. gentleman's statement to pass without expressing my view, which is held by all those who have studied the question in government circles recently. My view is that to lift the embargo on Russian coal would virtually result in the complete displacement of British anthracite in this market. That is our firm conviction, based on knowledge and accurate information.

Mr. STEWART (Edmonton): I did not raise the point because I admit it is not proper to bring it up while an investigation is going on, but the government have seen fit, owing to the price which the Canadian consumer has to pay for anthracite, to institute an investigation.

Mr. STEVENS: There is no objection to that.

Mr. STEWART (Edmonton): No, but it is the result of this government's action.

Mr. STEVENS: The investigation is the result of the government's action.

Mr. CANTLEY: I understood my hon. friend opposite to say that the coal to which I referred was not offered in Montreal at that time at much if any less than the cost of American anthracite. I want to tell him that the coal I refer to and the coal that did come in at that time was Russian anthracite and was offered in Montreal, to my own knowledge, at less than $6 a ton. It was sold at Halifax at $5.25 a ton and I took a carload to New Glasgow to see what it really was like and have an analysis of it made. There is no use suggesting to the house that that Russian anthracite coal was sold at prices equivalent to the prices of American anthracite at that time, because it is not so.

Mr. STEWART (Edmonton): I am speaking of Russian nut coal.

Mr. CANTLEY: So was I. It was then one-third the cost of the American anthracite. As regards English anthracite now coming in, I am quite pleased that this is so because it has displaced about a million and a half tons of American anthracite and it does not conflict with our bituminous coal from the maritimes. That is the situation in a nutshell so far as I am concerned. The facts are as I have stated them.

Mr. STEWART (Edmonton): My hon. friend would not suggest for a moment that the importation of both English and American anthracite does not cut in on his opportunity to make coke and sell in competition.



Mr. CANTLEY: That is another story.

Mr. STEWART (Edmonton): It is the story you were telling.

Mr. CANTLEY: Yes, at that time, but the people who control the proposition at the moment have not enough get-up to them to do what they ought to do. I am not responsible for that, however.

Mr. VALLANCE: Is any bituminous coal coming into Canada today from any source?

Mr. STEVENS: Yes.

Mr. VALLANCE: How do you like that?

Mr. YOUNG: As I understand the situation, Mr. Serkau and his friends discovered that there was a market in Russia for 100,000 head of Canadian cattle, and they also discovered that there was a market in Canada for vast quantities of Russian coal and oil. Mr. Serkau saw an opportunity to dispose of a portion of our surplus cattle and thereby help the farmers of this country, and an opportunity to bring into this country coal and oil, which are needed by our people, and in that way to help our own consumers and at the same time the people of Russia, as well as, incidentally, making some money, perhaps a considerable amount of money, for himself and his associates. But they could not put the deal through because they could not finance it. They asked this government to guarantee certain bonds in order that they might be able to finance the deal and the government refused to do so. I want to ask the government this question: If Mr. Serkau and his friends or any other syndicate or group of men could find a way of financing such a deal, would the government be prepared to permit them to bring in these commodities from Russia?

Mr. STEVENS: The hon. gentleman is putting a hypothetical question—

Mr. YOUNG: No, it is a practical and very vital question.

Mr. STEVENS: He asks whether, if this and that happens, we will guarantee to do this, that or the other. We are not doing business that way and we are not going to give to any syndicate, Canadians or anyone else, something to go out and peddle to other countries or peoples or interests. We are not going to give to any syndicate in Canada or elsewhere some governmental guarantees that they can take to New York and peddle to New York financiers, incidentally protecting

themselves and securing handsome profits. We are not doing that sort of thing, and there is no proposal of a hypothetical kind that we will entertain. We have nothing before us of a concrete or official character at all.

Mr. YOUNG: According to the figures given the other day by the Prime Minister, there is a possibility of marketing Canadian cattle in Russia and of marketing Russian coal and oil in Canada, and of the syndicate doing so making some money for themselves —I understood the Prime Minister to say a considerable amount of money. That being the case, there is not the slightest doubt in the world that a syndicate will arise that will be able to finance that deal, and the only thing that will stop them from putting it through successfully, to the benefit of the people of this country, of the people of Russia and of themselves, will be the possibility or probability that this government will step in and refuse to allow them to bring the goods in. Will the government lift the embargo and allow them to bring the goods into the country if they succeed in putting the deal through?

Mr. RYCKMAN: I should like to be allowed to answer the hon. gentleman. There are members on the other side in whose judgment I have a great deal of confidence, but I do not think there is a member opposite who could ever seriously give one moment's consideration to this Russian deal as it was put to the government. The hon. member for Weyburn was not quite fair in that he did not go on and announce the last condition of the deal before he asked his question. What was that last condition? These gentlemen made it a part of their proposition that the Dominion of Canada should not only establish them in credit, as the hon. member has said, but that the government should guarantee them against any default on the part of Russia. That is to say, if one party to the deal would not carry it out, they asked us to come forward and settle with them. Did anyone ever hear of such a proposition? Can anyone on either side of the house tell me when a deal of that kind was ever supported by anyone who had one atom of common sense? First of all they are buying from us, and they say, "Although we are buying from you we want you to put up the money to enable us to do so. We are buying from you to sell to Russia and we have doubts about Russia, so after we have borrowed money from you we want you to give us a guarantee that we shall get every cent even if the deal is not satisfactory".

An hon. MEMBER: That is not the proposition at all.

Mr. CASGRAIN: That is a new proposition.

Mr. DUFF: Rip van Winkle.

Mr. RYCKMAN: That is what the proposition is. If any hon. gentlemen can tell me of any one who would listen to that proposition for a moment, I should like to hear from him. I want to say something to the hon. member for Willow Bunch. I happened to be behind the curtain and I heard him say that he came to the Department of National Revenue himself, and had sent two or three others also to find out what would happen to Roumanian oil or gasoline. I believe I have had some slight connection with the Department of National Revenue; I am always glad to see members of parliament, but the hon. member for Willow Bunch never came to see me. Apparently he was not very keen to find out what would happen to the Roumanian oil, but I will tell him what would have happened. If that oil had been sent here upon terms such as one honest man would have used in transacting business with another it would have been permitted to come in under the tariff which this parliament has ordained. That is a simple answer to a simple question. If the hon. member for Willow Bunch or his friends had some oil in Roumania and thought the time favourable to dump that oil upon Canada's market to the detriment of the business men of Canada, then the department would have taken care of that situation.

Mr. DONNELLY: Can the minister tell me the present duty on Roumanian gasoline?

Mr. RYCKMAN: There is also Persia which produces—

Mr. DONNELLY: I am talking about Roumania; never mind about Persia.

Mr. RYCKMAN: I will admit that the hon. member has me there; at the moment I cannot tell him the duty. I would first like to know what his cargo is.

Mr. DONNELLY: Gasoline.

Mr. RYCKMAN: The hon. member for Southeast Grey (Miss Macphail) complained that there was a handicap being placed against the admission of goods from England. I submit that that handicap is more in thought and in newspaper publicity than in actual

fact. Every hon. member who is engaged in business knows that because of the depreciation which has occurred in the pound sterling, the protection which it was intended by this parliament should be given to certain classes of goods has been entirely wiped out. In order to carry out the intentions of parliament and to give this measure of protection, very moderate in some cases, it has been found necessary to value the pound at $4.40 for special duty purposes. I might say that those in England who were concerned with this trade agreed at the time this valuation was made that it was reasonable. Complaints have been made that the $4.40 valuation should be reduced, but at the same time others say that this valuation gives them no protection at all and that the importer and British exporter is given a preference to which they are not entitled. It is quite true that the special excise tax of three per cent is added to any duty imposed; the hon. member for Southeast Grey added a total of six per cent, but she evidently forgot that this is added to all sales with the exception of those included in schedule three of the act. It is unfair to count that six per cent as an additional protection because that is paid on all goods sold in this country. In discussing these matters I think it only right that we should take the facts as they actually are and not attempt to distort them and seek a result which is not warranted.

Mr. MACKENZIE KING: The Minister of National Revenue (Mr. Ryckman) evidently feels that he should speak on behalf of the government, but he has not answered the question.

Mr. RYCKMAN: I was just speaking on behalf of myself.

Mr. MACKENZIE KING: The minister did not answer the question asked by the hon. member for Weyburn (Mr. Young). All that the minister has said refers to the past, to something which has long since been discussed by the house and which is, I think, understood by all, but the hon. member's question refers to the present and to the future. Perhaps the minister, now that he is speaking for the government, can answer the question. It was: If at the present time a syndicate could be found which was prepared to say to the government that it could ship cattle to Russia, provided the government of Canada would allow it in exchange to bring in coal and oil from that country, would the government permit coal and oil to be imported from Russia?

[Mr. Ryckman.]

Mr. RYCKMAN: If a business proposition is made to the government, the government will give a quick answer.

Mr. MACKENZIE KING: We on this side of the chamber are asking this question on behalf of the people of Canada who are most affected. The farmers of this country want to sell their cattle in whatever part of the world they can be sold. We should be in a position to tell them, if such is the case, that the reason their cattle cannot be sold is that the government of Canada will not permit them to effect an exchange for Russian products upon a barter basis. If the government is willing to permit Russian coal and oil to be brought in and exchanged for cattle, we should be in a position to say so. If the government is willing to permit such an exchange I do not imagine there will be any difficulty in some syndicate finding a way to bring about the exchange. They have a right to know what action the government will take.

Mr. RYCKMAN: Surely my right hon. friend is not one of those who would pass upon a contract without knowing its terms?

Mr. MACKENZIE KING: It is not a question of contract; it is a question of a syndicate wishing to effect an exchange, which they might find it possible to effect if the government would so permit.

Mr. DONNELLY: I think the whole difficulty confronting this trade with Russia is the feeling which has been left in the minds of the people by no one else than the Minister of National Revenue. In 1930 when the Cockshutt people were attempting to make a deal with Russia, the minister came out and said: This is communism, its creed and its fruits which we as a nation cannot countenance by an interchange of trade. Has the government changed its views? Is it willing to let us trade with Russia? England is trading with Russia and, as I said before, the president-elect of the United States has laid down as one of the points in his new deal the permission of trade with Russia. The people of this country want to know whether or not they are to be permitted to trade with Russia. We do not care what Serkau is going to make; all the farmers are interested in is the fact that he may get $4 or $5 per hundredweight for his cattle instead of the present price of $2.75.

Mr. STEVENS: I think we have answered this question several times.

Mr. YOUNG: No, you have not.

Mr. STEVENS: The question has been answered several times, but I will answer it

again. There is nothing in the world to hinder anyone in Canada who so desires from selling goods to Russia. That is quite clear. There is nothing to hinder anyone in Canada who so desires from bringing goods from Russia provided they are not those goods referred to in an order in council which has been before this house ever since it was passed, namely—

Mr. MACKENZIE KING: Since the present government came into power.

Mr. STEVENS: Ever since it was passed, in February, 1931,—namely, coal wood pulp, pulpwood, lumber and timber of all kinds, asbestos, crude.

Mr. HANBURY: All that they have for sale.

Mr. STEVENS: Very good, but I am frankly telling my hon. friends just the situation.

Mr. HANBURY: In other words, we cannot do the business.

Mr. STEVENS: I have already stated quite clearly that in our opinion the embargo on coal is important because of the fact that a market is provided thereby for British coal. The hon. member for West Edmonton holds a different view. I am not quarrelling with him at all, but I am telling him and also the hon. member for Willow Bunch precisely our position in that regard. In so far as importing goods is concerned, they come in from Russia, as from any other country, under the terms of the statute, and we are not prepared to say to some person or syndicate or firm or corporation that if they at some time in the future attempt to bring in goods, they will be treated in some specific way. They will be treated just as the statute indicates that they should be treated.

Mr. YOUNG: The statute or the order in council?

Mr. STEVENS: I have made it clear that the order in council refers to certain specific items and the statute refers to all of them.

Mr. MALCOLM: I have listened with a good deal of interest to the minister's explanation, and I think he has made a fairly frank explanation why the particular Russian deal submitted to him was not accepted. On the other hand, I believe he has been very unfair in making the remarks that he made just before taking his seat. How is trade or barter to be carried on if the business men of a country do not know the terms of entry into the countries in which they want to sell goods? How can a man proceed to make any deal unless there is some stability and some known factor under which the trade is to be made? The minister says that there are four items under an order in council which has become a part of the customs tariff of this country and which states that certain goods may not be imported. We are not going to deal with hypothetical cases. The minister knows quite well he was approached by the fur merchants on the item of fur and he changed the order in council to allow furs to come into Canada because this was considered good business.

Mr. STEVENS: I stated that a little while ago.

Mr. MALCOLM: Quite so, but there is no use in thinking there is anything permanent about these four items if the government chooses to allow them to be brought in.

I should like to make one observation regarding coal. One would think there was something entirely new about Canada importing coal from Great Britain; because we are bringing in 1,300 tons of Scotch and Welsh anthracite one would think this all happened within the last year. We have been importing 800, 900 or 1,000 tons of this anthracite for the last six or seven years. It is true there is an increase. We are, however, taking all the British anthracite—and the minister knows this just as well as I do—that Britain can give us; and we are still taking almost 3,000,000 tons of anthracite from the United States. This statement of the minister that Welsh anthracite is going to be injured by the importation of 1,000,000 tons of Russian coal is not, I think, founded on fact. The importation of United States anthracite is going to be decidedly injured, but I also believe consumers of coal in Canada, if they are given a fair chance, will get a good deal better and cheaper coal. I feel like the hon. member for West Edmonton, one really should not discuss this coal question because it is under investigation by the government, an investigation as to why we should be paying $14 and $15 a ton in this country for anthracite coal. Personally I hold very strong views that the profits being made by jobbers on Welsh and Scotch anthracite in the city of Montreal are entirely out of line with the services rendered to the Canadian people, and I hope the government investigation proves of benefit.

The minister very kindly gave me some figures for which I had asked him before dinner. These figures reveal a rather interesting situation, and the minister certainly has my sympathy in administering the commercial intelligence service and in trying to promote trade at the present time. I know

how worried he is about $1.64 per bushel against Canadian wheat going into Germany or France. I know how worried he is about all the restrictive tariffs that are placed against merchandise being exported. We are faced with this situation: that in 1933-34 we are prepared to spend on foreign steamship services and on commercial intelligence service, $2,240,000, or about two and a quarter million dollars, to do a trade of about $900,000,000. In 1929-30 an expenditure of $1,000,000 was necessary for a trade of fully twice, probably two and a quarter times that amount.

The Minister of National Revenue gave us a very fine lecture to-night about how those things came about and how we could protect Canadian trade with dumping duties and so forth. Let me say to him that if he wants to help the Minister of Trade and Commerce and the commercial intelligence service, he will have to be prepared to let some goods in from countries that can buy our wheat. Unless the government has made up its mind that it has some religious scruples with regard to trading with Russia, scruples which it has not entertained against the Hindu or the Confucian or the Buddhist; unless it has some religious or other scruples about the Russian method of operating, it will find that before very long it will have to follow the lead of Great Britain and do business with Russia.

I am not going to say to the government that it ought to finance Russian trade deals. Far from it. We did finance a deal with Roumania and we have not yet been paid for it; the bonds are still held by this Dominion. But there are commodities which we can use and there are commodities which we can sell. At the present time Russia is buying from the United States—and the hon. member for Pictou knows this—very substantial quantities of steel rails; she is buying very substantial quantities of electrical equipment; very substantial quantities of agricultural implements; very substantial quantities of boots and shoes, running into millions of dozens of pairs. I do not know why Canada, which has the second largest, if not the largest per capita foreign trade of any country in the world, should set herself upon such a high pedestal, so much higher than the United States of America, than Great Britain, than France, than Germany, than Italy, in her refusal to do business with the Soviet republic. I have no criticism of the recent action of the Italian government in refusing to trade on credit. I believe any firm trading with Russia has a perfect right to finance its own trade. I do not think the minister is at all to blame in saying that he should not be asked to carry this business of $8,000,000, especially when the promoter was to make $1,500,000 in commission. The minister is quite sound in his stand in that regard, but I submit to him that the hon. member for Weyburn asked him a very simple question. He asked him: If the deal could be financed, would he permit the entry of the commodities to which reference was made. The minister has not yet answered that question. The house must come to a decision on it. The country wants to know; business men have a right to know. It is not only the farmers of the country who have a right to know, the manufacturers of agricultural implements have a right to know; the manufacturers of rubber goods are asking the question. Every industry in Canada is looking for foreign business. Foreign industrial business is being done in Russia to-day. Are we going to take advantage of this or not? That is a question that is being put to the minister. The Minister of National Revenue will not answer it although he purported to speak for the government to-night. The Prime Minister has not answered it. The country wants to know. When the question is answered, business men will proceed to do business. Perhaps the answer is given when the minister states business can be done with Russia except on those four commodities against which an embargo exists. Unfortunately the four commodities on which an embargo has been placed, include two which we could import to advantage to ourselves. I think the hon. member for Weyburn is entitled to a frank answer from the minister on these questions.

Mr. MOTHERWELL: I would like to take a little whack at this, Mr. Chairman, if I may. I find by to-day's Montreal Gazette that Mr. Serkau has been making some statements regarding this matter that do not leave it as a hypothetical case at all. I thought my hon. friend from Weyburn was going to read this, but as he did not, I will. It is headed, "Serkau hopeful of barter scheme. Will furnish government with evidence of readiness of Soviet authorities." It goes on to say:

Mr. Serkau's statement follows a review of the situation made by Premier R. B. Bennett in the House of Commons yesterday. The syndicate has been strengthened, Mr. Serkau states, by the inclusion of a number of men of financial substance in the cattle industry. Guarantees from the government may not be necessary.

That alters the situation altogether. I presume that Mr. Serkau has made the same statement to the Prime Minister or to the Minister of Agriculture. Then follows the statement in Mr. Serkau's own words:

There appears to be a misunderstanding with respect to evidence indicating the readiness of the government of the U.S.S.R. to trade with our syndicate on the basis of the memorandum as submitted to the government of Canada. Subsequent to the Hon. Mr. Weir's letter of December 23 last, I made two return trips to New York and had several interviews with Mr. Weir and I was not under the impression that any further evidence was wanted or awaited by the government. However, we are in constant communication with the U.S.S.R. foreign trade authorities and will promptly furnish the government any further evidence required.

Our syndicate will be strengthened by the inclusion of a number of men of financial substance in the cattle industry who have expressed their willingness to join the syndicate. We expect to be able to carry out the project without guarantees as alternatively requested of the government or perhaps on a somewhat modified scale, but the market for cattle so important at this time will still be available to the Canadian live stock industry.

There is the government's bluff about this being a hypothetical case called right away. I could hardly make out the mumblings of the Minister of National Revenue, but I understood that he was putting up a straw man, saying that it was simply a question of dealing with something that really did not exist. Does not the Minister of Trade and Commerce consider that this statement of Mr. Serkau's puts a different aspect on the matter? Does he not admit that the hon. member for Weyburn asked a perfectly legitimate question even without this statement of Mr. Serkau? As a matter of fact, the government do not want to trade with anyone, not even with Old Nick or St. Peter. That is the trouble. Shut ourselves up in economic hermitage and trade with ourselves —that is the policy of this government. They won't come across on this. I make the prediction that not a hoof of our cattle will go to Russia under this deal.

Mr. SPENCE: Join the syndicate and make some money for yourself, and help put the deal through.

Mr. MOTHERWELL: Let me commend the Minister of Trade and Commerce for one sane thing he said. Rather than comply with all these conditions laid down by Mr. Serkau, he said, and I think he said rightly, that the government would rather do the work themselves. Then why does not the government do it? That is the point. Why don't they do it instead of monkeying around with these people for months, keeping everybody on the string, and the people out in the country getting their cattle ready and wondering if this deal is going through, and needing the money as they never needed it before? But here the government stand idling away, fiddling and diddling, and the whole thing will wind up as ashes, gall and wormwood in the mouths of the farmers of Canada. Why not come along as the previous government did?

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Hold on! We were criticized for selling a bunch of small horses in southern Saskatchewan and southern Alberta, locally unsaleable horses that were doing nothing but eating up good grass. The King government made a deal with Russia, and at that time Russian money was not worth anything. It was not quoted on any of the money exchanges of the world. But we sent out our own live stock men and veterinarians, bought the horses and paid for them, delivered them to Montreal, and sent them on their journey to Russia. It was criticized by those who then sat on this side of the house, including the present Minister of Justice, and criticized by the Toronto Globe on high moral grounds, that we should not provide Russia with horses of any kind, especially if they could be used for cavalry purposes. But we put that deal through and we got that money for our farmers, which proved to be all velvet, as the horses were really otherwise unsaleable. Russia is in an infinitely better position to trade with to-day than it was six or seven years ago, and yet the government are sitting on their haunches day after day, wearing their clothes out and making excuses why they cannot trade with Russia.

Mr. SPENCE: It is unfortunate, Mr. Chairman, that so much of the time of this house should be lost talking a lot of pure bunk. It is amusing to hear the ex-Minister of Agriculture and the ex-Minister of Trade and Commerce defending this so-called barter with Russia when we know they do not believe in it themselves. No honest man believes in it. I wonder if the ex-Minister of Trade and Commerce would like to send a carload of his beautiful furniture to Russia and wait till they paid for it.

Mr. MALCOLM: That is not the question.

Mr. SPENCE: It is about the same thing. Would it be fair for the hon. gentleman in such a case to come to the government and ask for a guarantee?

Mr. MALCOLM: The hon. gentleman must have been sound asleep when this whole discussion was going on, for such a thing was never even suggested.

Mr. SPENCE: I wonder that a number of these people who are so favourable to trading with Russia do not join the syndicate and make some money for themselves. Who knows that Serkau ever had official instructions from Russia to go into a deal of this kind? Who knows that it is not simply propaganda of two or three yellow journals in this country, to create strife in this country between the party opposite and the government? It is political propaganda, the whole thing. There may be nothing in the whole deal at all, and why should we waste time talking about something that may not exist, and about cattle that Russia may not even want? I do not believe that Russia has ever asked for this deal. I have heard people of sound judgment say that this deal is nothing but propaganda by two or three yellow journals to make bad friends between the farmers of Canada and this government, to make the farmers of this country dissatisfied with the legislation that they are getting from this government.

Mr. CASGRAIN: That would be quite unnecessary; they are dissatisfied already.

Mr. SPENCE: You have never been to Russia and I have not, and you do not know any more about it than I do. I say that it is simply propaganda pure and simple to create strife in this country.

Mr. MOTHERWELL: Has the hon. gentleman been asleep or down in the basement?

Mr. SPENCE: Neither, but you have been asleep for years.

Mr. MOTHERWELL: I am sure if the Minister of Trade and Commerce were left alone he is sufficiently sane to see how this thing could be done. It could be done through the Department of Agriculture, through its live stock branch, to look after the selection of the animals, and through the health of animals branch, to look after their health.

Mr. ROWE: Who will pay?

Mr. MOTHERWELL: The government can look to that.

Mr. SPENCE: If you will guarantee the money I will do the job myself.

Mr. MOTHERWELL: Mr. Serkau says, as read, that there is a good prospect now of the personnel of the syndicate being so much strengthened that they can handle it financially themselves. We will have to take that as their last will and testament until we hear something else. Now what is the government's last will and testament? It is their move.

Mr. BRADETTE: Last Tuesday I asked the minister a question in regard to wheat shipments to Greece, and he was kind enough to tell the house that a considerable quantity of Canadian wheat has been exported to Greece within the last few months. A press report in December said:

> Canada Might Lose Million Dollar Trade
> Reported Greece to Form Pact to Buy Wheat from Argentina
>
> Athens, December 23.—The Greek government is negotiating a treaty with Argentina for the importation of large quantities of wheat at advantageous terms. Officials said that with such a treaty, no importations of United States or Canadian wheat would be required.

Then the report goes on:

> Ottawa Inquisitive
> Special to the Star
>
> Ottawa, December 23.—The ministry of Trade and Commerce is inquiring into reports that Greece will buy no wheat from Canada or the United States but will obtain her supplies from the Argentine. Officials of the department told the Star no advices had been received from the Canadian trade commissioners in Europe, and had such action been announced in Greece word would have been cabled to Canada.
>
> Canada's sales of wheat to Greece in the last six months of last year totalled 2,180,508 bushels. . . . This wheat was sold in the usual way and not to the Greek government.

My question now will be: Did the Department of Trade and Commerce receive any news about the loss of such trade between Canada and Greece?

Mr. STEVENS: I did not hear all that my hon. friend said, as there was quite a buzz in the house. but as far as I could gather his observations they were in regard to the importation of wheat into Greece. He will recall that Greece had a very high rate of duty —for the moment I cannot recall it—against wheat, under their maximum tariff. Within the last month, or it may be the last two months, Greece has placed Canada on the minimum tariff, and Argentine on the minimum tariff. Some sixty thousand tons of wheat have been shipped to Greece, or are under order for shipment now from Canada, and a similar quantity, as I understand, has been ordered and is on the way from the Argentine.

Mr. COOTE: When the Minister of National Revenue was replying to the member for Southeast Grey—who was since called out of the chamber—he said, as nearly as I remember, something to the effect that the fact that the

British pound has depreciated in Canada to such an extent made it absolutely necessary in the interests of Canadian manufacturers to place a dumping duty and fixed valuation of the British pound in connection with the importation of goods from Great Britain. If that is true, if the Canadian manufacturers need that protection, what is the position of the Canadian farmer to-day in regard to his exports of wheat in competition with Australia? —because the Australian pound is depreciated twenty five per cent in relation to the British pound.

I want to give the house a few figures regarding the export of wheat to the orient, to show the serious effect on our export trade. This is one of the reasons why Canadian exports of wheat are falling off so badly. It is not the only one; I agree with practically all that has been said tonight in regard to how tariffs are interfering with trade. I point out that since my hon. friends have denounced the French treaty the French tariff against our wheat is double what it was before.

I have here a table showing the imports of wheat into Japan. It is taken from the Japanese customs returns. I will give the figures briefly, and with the permission of the house I will ask that the table be embodied in Hansard:

Sales of Wheat to Japan
(In tons of 2,000 pounds each)
Japanese Customs Returns—Years Ending 31st December

| | 1928 | | 1929 | | 1930 | | 1931 | | Jan. to May 1932 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tons | % | Tons | % | Tons | % | Tons | % | Tons | % |
| Canada | 372,791 | 51 | 443,312 | 54 | 197,167 | 36 | 171,443 | 22 | 62,608 | 13 |
| United States | 163,787 | 22 | 162,639 | 19 | 226,600 | 42 | 58,358 | 7 | 7,573 | 2 |
| Australia | 91,502 | 12 | 160,172 | 19 | 113,754 | 21 | 564,583 | 71 | 389,328 | 84 |
| Other countries | 102,410 | 15 | 49,314 | 8 | 17 | 1 | 224 | .. | 2 | .. |
| | 730,490 | | 815,437 | | 537,538 | | 794,608 | | 459,511 | |

In 1931 the Australian currency was depreciated; you will note the difference that started in that year. This return was secured from the Canadian legation in Tokio in May of 1932. I think it proves conclusively that we cannot get our fair share of wheat into the markets of the world while our currency is at such a high level compared with the currencies of all our competitors. May I point out again that our currency is the highest of that of any country in the British Empire, and we are losing out in world trade because of two things: the exchange situation, that is the high value of our currency in relation to gold compared with most other countries and—the other reason which has been emphasized by hon. members on my right—the very high tariffs and arbitrary rulings of the national revenue department since this government took office. The situation in regard to the exchange value of our dollar we can easily correct, if we make the pound worth $4.87 and if the Minister of National Revenue will remove the dumping duties against Great Britain. Let us have a measure of free trade with Great Britain so that we can get on a basis where we can compete reasonably with the other wheat exporting countries.

Mr. POULIOT: If the tariff is lowered will there be any further necessity for inflation? If trade becomes normal will not our currency also return to normal?

Mr. COOTE: The more tariffs we remove the sooner our money will return to its proper level. I wish to stress for a moment the question of wheat exports, because after all wheat is the main item in our export trade, and it is important that we should obtain proper returns for our wheat. I have here a table I secured from the Department of Trade and Commerce in May last, giving the value of our exports of wheat and flour from 1924 on. I will not weary the house giving all the figures but I will go back to 1927. In 1927 our exports of wheat amounted in value to $421,000,000 in round figures; in 1928, $411,000,000; in 1929, $493,000,000; in 1930, $261,000,000; in 1931, $210,000,000, and in 1932, $134,000,000. In bushels, in 1927 our exports amounted to 294,000,000; in 1928, 309,000,000; in 1929, 421,000,000; in 1930, 212,000,000; in 1931, 249,000,000, and in 1932, 215,000,000. Our exports last year were 3,000,000 bushels more than in 1930 and the value was $134,000,000 as compared with $261,000,000 in 1930. A final word I leave with the committee, and it is this. Can Canada afford to continue keeping her currency on such a high level as compared with the other trading nations of the world, and bankrupting our agriculture in doing so?

Mr. VALLANCE: We have been dealing extensively to-night with the possibilities of trade with Russia. An hon. member behind

me dealt with trade with Greece and we have been talking about trade with Japan. I turn to another oriental country in regard to which I want to ask a question. Was a deal proposed to the government on October 31 last for the purchase of 50,000,000 bushels of Canadian wheat? If so, what happened?

Mr. STEVENS: I cannot recall such an offer in any definite form. During the past two years there have been numerous suggestions with regard to the advancement of wheat to China, because that is what it amounted to. I myself looked into the matter with care and I had the officers of my department resident in China go into the whole situation thoroughly, and I can say that there are certain fundamental difficulties that present themselves in connection with any such transaction. For instance, a suggestion was made on several occasions that we should give some wheat in view of the privation that prevailed in some parts of the interior of China. We looked into the matter very carefully and with a good deal of sympathy but we found that the consensus of opinion of informed business men and authorities with whom we consulted was that practically none of that wheat would reach the stricken area. Many of the provinces being in the hands of brigands or military groups or bands, it was quite a common experience that goods never reached their destination. I want my hon. friend to understand that the matter was given very careful consideration and it was deemed not desirable to take the step proposed. The hon. gentleman will pardon me if from memory I am unable to give precise data, but there were one or two occasions when suggestions were made that we should advance credit for the sale of wheat to China, but I cannot recall any really definite proposal supported by persons whose responsibility was commensurate with the extent of the deal. I am not saying definitely that there was no such offer, but I cannot recall it. Such offers as we received, however, we found on examination did not warrant us in taking the risk of supporting the deal, one being for a period of three years. The periods of the others I have forgotten.

Mr. VALLANCE: Perhaps I can refresh the minister's memory, because the matter is quite vivid in my own mind to-night. Sunday was the 30th of the month, and on the Monday, October 31, a gentleman by the name of Webster interviewed this government and made an offer for the sale of 50,000,000 bushels of wheat to the Chinese government. The question I am asking is: Was that wheat sold, and if not, why not?

[Mr. Vallance.]

Mr. STEVENS: My hon. friend makes a definite assertion, and I confess that his knowledge in these matters and his confidence in the accuracy of his information are much greater than mine.

Mr. VALLANCE: It is backed up by a statement of the minister to myself, if I might refresh his memory further, although I did not want to do so.

Mr. STEVENS: Certain proposals were made, but without having an opportunity of refreshing my memory, I will not make any further statement in regard to the matter.

Mr. VALLANCE: I will not press it; we will get it some other time.

Mr. MOTHERWELL: Perhaps this is hypothetical too.

Mr. SPENCER: I am sorry that the hon member for Parkdale has left the house. From what he said with regard to the suggested Russian cattle deal, he would appear to be much less informed on the matter than most members on this side. I am informed on good authority that Mr. Serkau, who was pushing the deal, was very closely in touch with the Minister of Agriculture the whole time he was trying to negotiate it, and that it was with the consent and on the suggestion of the minister that he went to New York to interview the Russian trade agent.

Mr. McGIBBON: What is your authority?

Mr. SPENCER: It was also with the consent of the minister that he went to Russia, and I understand further that the Minister of Agriculture was favourable to the deal. I say this because the hon. member for Parkdale tried to make the house believe that the suggestion was brought forward from political motives. As a matter of fact the deal was put forward by Mr. Serkau and his associates in good faith and the Minister of Agriculture or the department was kept informed all the time. Most hon. members, I believe, know that quite well.

Mr. McGIBBON: What is your authority?

Mr. SPENCER: I learned it at a public meeting in Calgary.

Mr. McGIBBON: From whom?

Mr. SPENCER: From the syndicate.

Item agreed to.

Electricity and gas inspection service, $213,745.

Mr. DONNELLY: What is the reason for this increase?

Mr. STEVENS: It is a small item in connection with the replacement of some equipment for testing meters and so on.

Mr. MALCOLM: Has the work of the gas and electricity inspection service been transferred to the national research council?

Mr. STEVENS: No. They are, however, housed in the same building, because there is quite a bit of common work, shall I say, between the two departments.

Item agreed to.

Exhibitions and fairs, $137,000.

Mr. LUCAS: Will the minister explain this item?

Mr. STEVENS: A substantial proportion of this vote is for the setting up and maintenance of displays of samples of Canadian goods, particularly agricultural products, in Great Britain and other countries. Displays are also set up in various British fairs and exhibitions, as well as in exhibitions in other countries. It is not intended at the present time to enter into any extensive expenditure in connection with exhibitions in other countries, but we do desire to maintain such permanent exhibits as we have in different parts of the old country.

Mr. MOTHERWELL: I would like to convey to the minister the appreciation of the people of Saskatchewan and all through the west of the magnificent world's congress and exhibition building which was erected at Regina as a relief measure, and more particularly of the splendid manner in which the interior has been decorated. Mr. Turcotte is an artist at this work and I think the minister should know that everyone who has seen these interior decorations are simply delighted with them.

Mr. STEVENS: Thank you very much.

Item agreed to.

International customs tariffs bureau, $1,800.

Mr. MALCOLM: Is this the foreign tariffs division?

Mr. STEVENS: Yes.

Mr. MALCOLM: It is a very small vote for that.

Mr. STEVENS: That is really our fee.

Item agreed to.

Motion picture bureau, $70,000.

Mr. BRADETTE: What has caused the increase in this vote?

Mr. STEVENS: If it is finally decided to do so, we intend to add the sound feature to this bureau.

Mr. MALCOLM: I am glad to see that the minister has restored this bureau to its former state of importance. Last year the vote was reduced to $40,000, whereas previously about $75,000 per year was spent upon this department. I always felt that this department had great educational value, and if sound equipment is added I think its value will be still greater.

Item agreed to.

Printing of parliamentary and departmental publications, including the "Canada Year Book," $139,325.

Mr. MACKENZIE KING: I hold in my hand a book entitled "Canada 1933. The Official Handbook of Present Conditions and Recent Progress." I should like to know if the printing of this publication is included in this vote.

Mr. STEVENS: Yes, I understand it is.

Mr. MACKENZIE KING: Then I take exception to government money being spent in this fashion. According to the title this book is supposed to contain information with regard to present conditions and recent progress. There certainly are no statistics which will bear out anything in the shape of progress since the present administration came into office. Just how the government can issue a handbook on recent progress to the people of this and other countries is a bit of a mystery to me. This book has been printed by the Dominion Bureau of Statistics and I should like to know whether the information contained therein has all been supplied by the bureau or whether some of the material has been furnished from sources outside of the bureau?

Mr. STEVENS: This book is the sixth issue of this particular publication, the first being published in 1927. All the information contained therein is compiled by the staff of the bureau. The original object in publishing this book was to put into handy form certain historic and other data as well as supplying up to date information with regard to matters of interest to industry and business. The first issue was welcomed by the country as providing a handy and appropriate form of getting such information before the public, and its publication has been continued year by year. When I took office we continued to publish the book in the same manner as it had been published previously, and in so far as its compilation is concerned, that has been car-

ried on in the same way as it was before I took office. Wherever possible we attempt to collect the small fee of twenty-five cents per copy. There has been a wide demand for this book and I think, generally speaking, it has received the approval of the public.

Mr. MACKENZIE KING: So far as this handbook provides reliable information I have no exception to take; it is the kind of publication which I think is very useful. However, in this particular number a very considerable part is devoted not to authentic information on matters of general interest but to what purports to be an account of the recent Imperial economic conference held at Ottawa. There is given what purports to be a story of the conditions which led up to the conference, what took place and what achievements were attained. I must say very frankly that the greater portion of what has been added in this way this year is in the nature of Tory propaganda; it is in no sense of the word reliable statistical information and should not be published and circulated at government expense. In addition, I say that it should not have been written at government expense. I would point out that there is material in this book which has not been written by anyone connected with the bureau of statistics, and I make that statement without fear of contradiction by the minister.

Mr. STEVENS: I am afraid my right hon. friend will have to face my contradiction.

Mr. MACKENZIE KING: Then I shall read the minister a statement from the book itself which shows that what he is now saying is wrong.

Mr. STEVENS: This book was compiled by the bureau and was then submitted and discussed with the Department of External Affairs in so far as the imperial conference references are concerned. If the right hon. gentleman will refer to something specific to which he takes exception, I shall be very glad to pay attention to what he has to say. I am simply asserting that this book has been compiled in a manner similar to all the preceding issues.

Mr. MACKENZIE KING: I will draw the minister's attention to a note which the Dominion Statistician evidently felt it important to insert in this book. It is signed by Mr. R. H. Coats, and reads:

> This handbook has been prepared in the Dominion Bureau of Statistics from material which has, in the main, been obtained from the different branches of the bureau.
>
> In certain special fields information has been kindly contributed by other branches of the government service.

[Mr. Stevens.]

I venture to say that none of the material relating to the conference has been supplied by the bureau; as the minister says, it has been contributed by the Department of External Affairs.

Mr. STEVENS: My right hon. friend is wrong. It was written by the officers of the bureau and then submitted to the Department of External Affairs for verification or such comments as they chose to make.

Mr. MACKENZIE KING: The statement of the Dominion Statistician is this:

> This handbook has been prepared in the Dominion Bureau of Statistics from material which has, in the main, been obtained from the different branches of the bureau.

Mr. STEVENS: Necessarily, in this book there must be information which is not drawn immediately from the bureau of statistics. For instance, I open it at random. Take life insurance: obviously, such information on that subject as is purely statistical would be in the bureau and other parts would come from Mr. Finlayson, superintendent of insurance. As regards the Post Office Department, such information as there is in this book regarding post offices would be compiled from the bureau in part but would include information secured from the Post Office Department. So one can take other portions of the book. As regards the water powers of Canada, the bureau would have such information as is purely statistical, but where there are historic references or matters of interest of a literary character pertaining to water powers, that would be furnished by the water power branch. There is nothing sinister about the introduction. I venture to say it is the same as is used in all others. It is simply a routine introduction that has always been used.

Mr. MACKENZIE KING: I would draw the minister's attention to what is clearly an insertion in the book, undoubtedly inserted after the whole book was finally prepared. I think the minister can see there are four pages that are largely in the nature of illustration, that clearly have been added to the book and that do not form a part of it as it was originally prepared, dealing entirely with the Imperial economic conference of 1932. I have no objection, if the government so wishes, to the reproduction of pictures and the like, of the Imperial economic conference, but surely there has been enough of that at the public expense without perpetuating it indefinitely in government publications. May I draw attention to the very first page. I would ask by what authority the government

inserts this kind of thing in a handbook which purports to be authoritative as to existing conditions in Canada?

The agreement signed to-day constitutes a definite advance towards closer empire economic association. Because of this, we may fairly lay claim to an achievement greater than that of which any other conference can boast.

All this is, as is stated at the end:

Excerpt from the speech of the Right Hon. R. B. Bennett, Chairman of the Imperial economic conference, at the plenary session, Ottawa, August 20, 1932.

It goes on:

We have commonly acknowledged that empire association can be based advantageously upon the principle of reciprocal preferences, and by our several agreements have evidenced our belief that these preferences ensure the greatest benefits when they are predicated upon a general empire tariff plan.

. . . but this propitious beginning must not blind us to the fact that it is but a beginning, and that if this scheme of closer empire association is to endure and bring to each one of us the benefits we hope for, further action must be taken at a not too distant date.

How does that find a rightful place in an official handbook of present conditions in Canada? It is a reproduction of a part of a speech made by the Prime Minister at the Imperial economic conference and contains a number of statements that are highly controversial. There is not in this house agreement that a general empire tariff plan is what is desired. I venture to say that hon. gentlemen opposite are very much in doubt about the wisdom of a general empire tariff plan, and certainly everyone on this side of the house is decidedly opposed to anything of the kind. Why should we and those whom we represent be called upon to authorize an expenditure from the federal treasury for the spread of that sort of political propaganda? There is an introduction by the minister, with a very nice portrait of himself, which is quite appropriate, but a little further on another portrait of the minister also appears. I have not any objection to any number of portraits of the minister being published, but if he intends to circulate them, let him circulate two different ones, and not the same one in two different places and sizes.

Mr. STEVENS: Where are they? I have not seen them.

Mr. MACKENZIE KING: There is one on page 7 and another on page 179, the same portrait but a little smaller.

Mr. STEVENS: We do that to save expense.

Mr. MACKENZIE KING: That, however, is a minor affair and I do not wish to more than mention it. I want however, to draw attention to the minister's review at the beginning. The greater part of it was taken up with the imperial and international situation. It is in large part simply one of the minister's speeches on the Imperial economic conference and its effects. I have no objection to the circulation of the minister's speeches in as large numbers as he chooses so long as this is not done at the public expense.

Mr. STEVENS: What is my right hon. friend referring to now?

Mr. MACKENZIE KING: The introduction on page 7, what the minister has to say there and on the following pages about the imperial conference, why it was called, what it did, and so forth.

Mr. STEVENS: That is not any speech at all.

Mr. MACKENZIE KING: It is the same sort of material the minister is using in his speeches.

Mr. MACKENZIE (Vancouver): The same tone.

Mr. MACKENZIE KING: It is the same tone. I thought my hon. friend said "the same dope," and so it is.

Mr. STEVENS: It shows that I take my speeches from the material of the bureau.

Mr. MACKENZIE KING: No, it shows that the minister is prepared to use the bureau to further political propaganda, and that is what I object to.

Mr. STEVENS: That is not so.

Mr. MACKENZIE KING: I am going to read to the house some of this stuff and to allow hon. gentlemen to see whether we are justified in paying for this sort of thing. On page 15 there appears the following heading for chapter one, the first chapter of the book, which deals with imperial conditions.

The Imperial economic conference, 1932, and intra-empire trade.

Then there is a little introduction, and this heading follows:

Conditions leading up to the Imperial economic conference in 1932.

It runs away back to the "industrial revolution" of the later part of the eighteenth century and Adam Smith's teachings. Then it comes down to the Napoleonic wars and the corn laws. What business has the government in an official publication on Canadian conditions spending money on a review of that kind and trying to relate its incidents

to the imperial conference? It goes on to describe the campaign of Mr. Joseph Chamberlain, and it says:

The severest threat to free trade was Joseph Chamberlain's tariff reform campaign, ably outlined in an historic speech delivered in Glasgow, where Adam Smith had taught, in 1903. Chamberlain foresaw an empire slowly disintegrating unless a closer economic union founded on preferences granted reciprocally between the United Kingdom and her overseas possessions were brought about before the dominions had rounded out their economy for themselves by establishing local manufactures on a large scale.

What has that to do with a recital of Canadian conditions either past, present or future—a campaign of Joseph Chamberlain against free trade many years ago in Great Britain? The effort is to make it appear that a greater than Joseph Chamberlain has arisen who has brought about an economic union which Chamberlain had striven in vain to accomplish. May I point out, from the viewpoint of historical accuracy, that what was accomplished at the recent imperial conference in Ottawa was diametrically the opposite of what Joseph Chamberlain fought for. He fought for a system of preferences that would bring about free trade within the British Empire.

This conference in its tariff arrangements has been of a character to restrict trade between different parts of the empire, preserving only a semblance of some preference to Great Britain and some other parts of the empire effected by the extra high tariffs which have been raised against all other countries.

The handbook deals, as I have said, with Chamberlain's campaign in England; then it takes up the McKenna duties. The Napoleonic wars were brought in I assume to show the relation between them and what took place here last summer. Then we come to this:

It was at the Imperial conference in 1930, when the Prime Minister of Canada, the Right Hon. R. B. Bennett, renounciated the policy of reciprocal tariff preferences, that the stage was set for the wholesale retirement of the United Kingdom from her free trade position.

It was at the conference of 1930 that British ministers themselves described the so-called Canadian offer as being "humbug." That is the conference we are here told at which the stage was set for getting Britain off a free trade position. What is the next sentence?

At the time, a Labour government was in power, and was not disposed to regard with favour the offer held out by Canada.

What business have we in an official handbook on Canada to make a recital of this kind, which has to do purely and entirely with domestic politics in Britain, and why should the Canadian taxpayer have to pay for the circulation of that sort of inaccurate and misleading information? It is information that will be taken exception to in Great Britain as well as here. It is not accurate, and as one reads it, it is seen to be equivalent to saying that the government of Canada went overseas and interfered with politics in Great Britain to the extent of being responsible for the overthrow of a Labour government in Great Britain, the change in British fiscal policy, and for the introduction of something that is now going to bring about a vast change in world affairs. I submit that if anything of the kind has happened, it was all quite wrong. We in this country have no business to try to interfere with the fiscal policies of other countries or in order to ensure their defeat to put up propositions which we know other governments will find it impossible to accept.

What else does this publication say?

The economic section of the conference was not able to reach satisfactory conclusions in the time available and, on the invitation of the Canadian Prime Minister, it was arranged that it should convene later in Ottawa. On the formation of a strong National government and after the election of the following year, it was admitted that the British people had expressed themselves definitely in favour of the principle of imperial preferences.

That is wholly untrue; it has never been so admitted. As a matter of fact, as hon. members well know, there is a very large portion of the public in Great Britain which believes it was grossly deceived when, after a National government had been returned to power, that government undertook to deal with the tariff, when, as is asserted, the people were told in advance the tariff would not be a matter for the coalition. For the Canadian government to send this sort of thing broadcast to the different countries of the world at the expense of the Canadian public, is wholly indefensible. It continues:

The National government acted at once and there followed a gesture on the part of the United Kingdom which was of the greatest importance in relation to the 1932 conference, for the passing of the Abnormal Importations Act of November, 1931 (a temporary measure later supplemented by the Import Duties Act of March, 1932), marked Britain's abandonment of her historic position. But her retirement was made conditional on the receipt of compensating trade privileges from the dominions at the conference, and the preferences then extended to the dominions were, therefore, to cease automatically on November 15, 1932, unless arrangements were made at the conference for their continuance.

If that is true, this parliament has been deceived. We have never been told, until this document came into our hands, that there were conditions and understandings with the British government of which this parliament had no knowledge before the conference was called.

Mr. STEVENS: If my right hon. friend will permit me, it is set forth in the legislation of Great Britain that on November 15, unless in the interim arrangements are made between the British government and the dominions, the preference would expire.

Mr. MACKENZIE KING: The Imperial conference was not referred to in that legislation, but it is referred to here. No one reading this document could escape the impression that what was done in England in its legislation and what was done in our legislation here was a part of some secret understanding between the two governments.

Mr. STEVENS: No such inference.

Mr. MACKENZIE KING: Then what is the meaning of the words, "But her retirement was made conditional on the receipt of compensating trade privileges"? How can you have a conditional arrangement unless there has been some understanding?

Mr. STEVENS: Set forth in the statute.

Mr. MACKENZIE KING: May I continue and give some further statements contained in this book?

> In order to understand just what this change meant to the United Kingdom and her reason for making it conditional on the return of compensating privileges, it is necessary to recall that under free trade her policy of purchasing food and raw materials in the cheapest market had kept down the cost of living at home to a minimum and enabled her manufactures to compete in price with those of other nations abroad. This policy had, in its day, helped her to become the leading trader of the world, its financial centre and owner of a large part of its shipping.

What has this sort of special pleading to do with conditions in Canada? I need not go on and read the remainder nor the next page. It is all intended to make it appear that Britain's tariff was made what it was as a result of some secret understanding, or that what was done at the imperial conference led to this country receiving certain rights of free entry into the British market which we all know she would have had even had there been no conference at all. When we were discussing the conference agreements, this was stated a dozen times here without any possibility of contradiction.

I turn to the next page, and here I find another illustration from the moving picture bureau, "The new colours of the Governor General's Footguards—One of the events to which the delegates to the imperial conference were invited while in Ottawa was the ceremony of the presentation of colours by His Excellency the Governor General to the regiment of which he is Honorary Colonel." Why circulate that sort of thing at public expense at this time? Surely there was enough advertising of its attendant features at the time of the conference itself, and before, without continuing them indefinitely and unnecessarily in the way in which it is done in this book.

I turn to page 19, and find another page devoted entirely to this subject. It deals with matters immediately preceding the conference and describes how busy the government were at that time. These are the words used:

> As the preliminary and final reports of the various committees were turned in they were studied by a committee of the cabinet under the chairmanship of the Prime Minister, and the broad lines of Canadian policy at the conference laid down. Frequently this required further information on a great variety of subjects so that the weeks preceding the opening of the conference were marked by a concentration of effort as great as any undertaken by the Canadian government since the close of the great war.

What is the sense of or justification for publishing that sort of thing in an official handbook that is supposed to be dealing with present conditions? Then we have several pages dealing with inter-empire trade, all of which are supposed to relate to this conference, containing charts, and the like, but no information of a character which can be regarded as authentic in relation to the possible trends of Canada's trade as a whole. After occupying many pages in the earlier part of the book, the same sort of material appears again on pages 39, 40, 41, 42, 43 and 44, which are devoted entirely to an account of what is described as the achievements of the conference.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I would ask hon. gentlemen who say "hear, hear" in a very faint tone, to tell me what those achievements have been. There is not a man living who can point to any definite achievements as yet. And yet this book devotes pages of material on what is termed the achievements of the conference for circulation throughout the various countries of the world.

Mr. CASGRAIN: Tory propaganda.

Mr. MACKENZIE KING: Take this statement as an example:

The Canadian delegation succeeded in not only securing the continuance of the preferences for, in most cases, a period of five years, but in greatly widening their scope. The grain grower, the mixed farmer who raises cattle and hogs in addition to grain, the dairy farmer, the fruit grower, the tobacco grower, the rancher and breeder of live stock will, as a result, enjoy a larger demand for their products.

If that is not pure political propaganda, and false propaganda, I should like to know what is.

Mr. STEVENS: No, the figures prove it.

Mr. MACKENZIE KING: It goes on to say:

As pointed out by the Prime Minister, on October 12, 1932, when tabling the agreements in the house, Canada will naturally benefit more than any other dominion from the preferences on manufactured goods.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Assuming that were true, it might be saying very little, but has a statement of that kind any place in a handbook purporting to be dealing with conditions in this country and published by a government bureau?

Some hon. MEMBERS: Yes.

Mr. MACKENZIE KING: Let hon. gentlemen be sincere. I would ask hon. gentlemen opposite how they, had they been sitting on this side, would have viewed publicity of this kind with reference to Liberal policies in a handbook put out by a Liberal government at the public expense. We all need official statistical data on which to base what we have to say, and I would have had no objection whatever, so far as the conference is concerned, if the government had issued or published the agreements in this volume and let them speak for themselves. No exception could have been taken other than that it would have been an unnecessary expense. It at least would have been information, but the government has no right to draw its own partisan inferences, give its own partisan interpretations, and, above all, to make absolutely false assertions in regard to what have been the results and adopt this method of putting them into circulation.

Let me read another statement. On page 41 I find this:

It was provided, however, that the Canadian tariff board (the establishment was provided for last session but the personnel has not yet been appointed) should act as a judicial as well as a fact finding body.

[Mr. Casgrain.]

Now I asked the Prime Minister himself, at the time we were discussing the functions of the tariff board in relation to the conference agreements, whether it was to act as a judicial body, and he gave me the assurance that it would not, but that it would be a fact finding body. If hon. gentlemen will look at Hansard, they will see that this very question was raised, and they will find the Prime Minister's statement denying that the tariff board was to be a judicial body and asserting that it was to be purely a fact finding body. Yet my hon. friend the Minister of Trade and Commerce, in this publication of his department, advertises to the world that we have in the personnel of this new tariff board which has not yet come into existence, a new judicial body in Canada. I would think that there would be time enough to make a record of the tariff board in an official publication when we had the board, but here the government is erroneously advertising the function of a board which has not yet been brought into existence. Then on page 42 I find this statement:

An empire policy has also been followed in respect of vegetable oils which Canada imported to the value of $7,000,000 even in the sub-normal fiscal year 1932.

An empire policy! I should like to know since when this parliament has taken upon itself the business of fashioning empire policies. Hon. gentlemen opposite used to talk about national policies, and when they were talking about protection, they said: This is the great national policy of Sir John A. Macdonald. But we have here in an official handbook of the government the statement that we have been enacting empire policies.

Mr. STEVENS: At the conference.

Mr. MACKENZIE KING: If at the conference it was without authority from any parliament for so doing. How does my hon. friend justify printing in any government publication, which purports to be a record of facts, any such statement as that this parliament has lent itself to creating empire policies. It may be true, but most of our members will not be prepared to admit the fact. I quote further from the same page:

The above tariff changes along with those concerning miscellaneous industries announced on October 12, 1932, constitute the beginning of the revision of the Canadian preferential tariff.

This is information which parliament has not had before. We have never been told that this was the beginning of the revision of the tariff. We were led to assume, after having had three or four revisions in less than

that number of years, that we had got pretty near to the end. Now we are told in this particular handbook that it is but the beginning.

Mr. MACKENZIE (Vancouver): It will be the end of the Tories.

Mr. MACKENZIE KING: May I point this out as to the worth of what is set forth as a matter of historical record? I have read, I think, all that this publication has to say on empire preferences, and I do not find a single reference in this book to any preference having been given by Canada to Great Britain from 1896 to 1930—not one; and yet this work purports to give an accurate and complete historical record of what has taken place. Though the preference idea owes its existence in practice to the government which was in office in Canada in 1896, the government of Sir Wilfrid Laurier and though the governments of Sir Wilfrid Laurier, of Sir Robert Borden, or Right Hon. Arthur Meighen, as well as the late Liberal government all continued to give preferences to Britain, and all alike shared in supporting a policy of imperial preferences, no mention is made whatever in this record of what was done by way of granting preference to Britain by any one of them, albeit we are told a lot about Adam Smith, about the Napoleonic wars, the corn laws, and the like. I say, Mr. Chairman, that that is not fair play. It is not honest, decent, straightforward, nor is it a truthful record. It is the suppression of the most significant and important part of the whole. The whole thing is a miserable effort to spread Tory political propaganda at the expense of the public to print and publish and circulate an official handbook containing the false literature of the Tory party. I think that the item for this service ought in the circumstances to be reduced, and I would move that it be reduced by $12,575, which is the increase which we are being asked to make in the expenditure in the present year as against the expenditure of last year. No doubt the increase is due to this propagandist feature. Last year we had a very large expenditure. I think it had been increased on the score that the imperial conference was about to be held. Now it is being increased because the conference has been held and because the government wish to circulate this party literature in reference to it. Whatever other economies may be necessary at the present time, this one certainly ought to be effected, and an end put to the practice of a government using public funds for political propaganda. It is exactly the same thing as took place the year before last when the minister published at government expense what he called a creed—Canada first.

Mr. STEVENS: There is a tremendous demand for it still.

Mr. MACKENZIE KING: But in the meantime another creed has found expression, not "Canada first," but "empire first," and not only "empire first" but "empire first, empire last and empire over all." That is the policy of the present government, and they are seeking, by means of this propaganda, to get abroad a lot of their literature before the campaign comes on, and to send it out at the expense of the Canadian taxpayer. I say that is carrying government expenditure to a point absolutely unjustifiable. I move that the item be reduced by $12,575 on the score that the expenditure is unnecessary, that the information it is intended to circulate is historically inaccurate and false, and purely in the nature of political propaganda and cannot be justified on any public ground whatsoever.

Mr. STEVENS: The obvious mental disturbance of the right hon. gentleman is due to the fact that my right hon. leader the Prime Minister of Canada played an important part in the imperial conference. The right hon. gentleman has never forgiven my right hon. leader because he was Prime Minister during the past year. So the right hon. gentleman takes a handbook which was prepared in just the same way as all preceding ones, and because the editors of the handbook dared in the opening pages to honour the Prime Minister of Canada and to quote in the foreword a speech that the right hon. Prime Minister of Canada delivered at the imperial conference, they are subjected to this diatribe. The utterance of my right hon. friend was unworthy of him. It is simply a display of pitiful childish spleen because the right hon. gentleman who now leads the government was in this honoured position at the imperial conference.

An hon. MEMBER: Answer the criticism.

Mr. STEVENS: So far as the matter in this publication is concerned, as I have already intimated it was prepared in exactly the same way by the staff of the bureau, and I want to pay this tribute to them; there are in the bureau some of the most able men, not put there by me, but who got their positions years ago when the right hon. gentleman himself was the head of the government, able men who have discharged their duties year in and year out without fear and with-

out favour. They were not dictated to, they were not interfered with in the slightest degree.

Mr. MACKENZIE KING: None of this was written by any of them.

Mr. STEVENS: It was produced by them.

Mr. MACKENZIE KING: No sir.

Mr. STEVENS: Will my right hon. friend not take my word on it?

Mr. MACKENZIE KING: No, I dispute absolutely that this was written as it appears in the bureau, and the minister knows it.

Mr. STEVENS: I tell my right hon. friend this, that every word of it was produced in the bureau by the officers of the bureau without one word of intimation from me as to what should be written.

Mr. MACKENZIE KING: I did not say that.

Mr. STEVENS: My right hon. friend must take my word for that.

Mr. MACKENZIE KING: I take my hon. friend's word when he says he did not direct that these things should be written.

Mr. STEVENS: This publication was written and produced in the same way as preceding publications.

Mr. MACKENZIE KING: I say that what I read to-night was not written by anyone who is a member of the bureau of statistics.

Mr. STEVENS: It was written by an official of the bureau of statistics. I give that on the authority of the head of the department who sits before me.

Mr. HEPBURN: He should be fired, then.

Mr. STEVENS: He should not. I want to say that the head of the bureau of statistics and the chief officers are gentlemen of whom this country may well be proud. I will say this to my young friend opposite who has just interjected, that the head of the bureau of statistics is held in the highest esteem and respect in practically every leading country in Europe, as well as Great Britain, as one of the most outstanding statisticians in the world.

Mr. HEPBURN: Did he write it?

Mr. STEVENS: He certainly did not. In justification to him I say this further, that this country has every reason to be proud of the head of the bureau and of its staff. And I repeat that this is the product of the officers, but I am not taking any shelter behind them as to what has been produced here. I am the head of the department, and I take responsibility for its production.

[Mr. Stevens.]

Progress reported.

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

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## Monday, February 6, 1933

The house met at three o'clock.

### LIBRARY OF PARLIAMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved:

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs: Barber, Bertrand, Bourassa, Boyes, Butcher, Carmichael, Charters, Chevrier, Cotnam, Dubois, Dupuis, Factor, Ferland, Fontaine, Fortin, Fraser (Cariboo), Gagnon, Girouard, Guthrie, Hepburn, Irvine, Jones, Laflèche, Larue, LaVergne, MacMillan, McGillis, McGregor, McIntosh, Marcil, Peck, Perley, Sir George, Pouliot, Quinn, Rhéaume, Short, Smoke, Stirling, Thauvette, Thompson (East Simcoe), Thompson (Lanark), White (London), Wright, a committee to assist His Honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

### PRINTING OF PARLIAMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved:

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the select standing committee on printing, viz., Messieurs: Anderson (Halton), Baribeau, Belec, Boulanger, Bourgeois, Brasset, Charters, Desrochers, Dubois, Embury, Esling, Factor, Fortin, Girouard, Gott, Gray, Hay, Heaps, Howden, Lucas, MacLean, McKenzie (Assiniboia), McLure, Maloney, Marcil, Matthews, Moore (Chateauguay), Munn, Murphy, Parent, Peck, Perras, Pickel, Porteous, Price, Quinn, Rhéaume, Rinfret, Roberge, Robinson, Rowe, Ryerson, St-Père, Short, Simpson (North Simcoe), Spankie, Spencer, Spotton, Taylor, Tétreault, Verville, Wilson, Woodsworth, Wright, will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

### PARLIAMENTARY RESTAURANT

Hon. HUGH GUTHRIE (Minister of Justice) moved:

That a message be sent to the Senate to acquaint their honours that this house has

appointed the honourable the Speaker and Messieurs: Ahearn, Barrette, Black (Halifax), Bourassa, Carmichael, Cayley, Garland (Carleton), Hanbury, Howard, Howden, Laflèche, Macphail, Miss, Mullins, Ryerson, Senn, Spankie, Spence, Sproule, Thauvette, a committee to assist His Honour the Speaker in the direction of the restaurant, so far as the interest of the Commons are concerned, and to act as members of a joint committee of both houses on the restaurant.

Motion agreed to.

## PORTSMOUTH PENITENTIARY

Hon. HUGH GUTHRIE (Minister of Justice): I lay on the table the report of the superintendent of penitentiaries re Kingston penitentiary disturbances. I move that the report be printed, five hundred copies in English and two hundred and fifty copies in French.

Motion agreed to.

## VACANCIES

Mr. SPEAKER: I have the honour to inform the house that I have recived a communication from two members, notifying me that the following vacancy has occurred in the representation, viz:

Of Maxime D. Cormier, Esquire, as member for the electoral district of Restigouche-Madawaska, by decease.

And that I have issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

And also, that I have issued my warrant to the chief electoral officer to make out a new writ of election for the electoral district of Yamaska, consequent upon the judgment of the Supreme Court of Canada declaring the election therefor, held on the 28th July, 1930, to be null and void.

## LABOUR CONFERENCE

Hon. W. A. GORDON (Minister of Labour): I lay on the table of the house certain orders in council passed pursuant to the relief legislation. Also, Mr. Speaker, I desire to lay on the table the authentic text of the draft convention which was adopted at the fifteenth session of the International Labour Conference, 1931, in accordance with the provisions of article 405 of the treaty of Versailles and the corresponding provisions of other treaties of peace; also text of an order in council which has been adopted dealing with the competence of parliament and of the provincial legislatures respectively with regard to the subject matter of this draft convention. The texts of the draft convention and of the order in council above mentioned have been transmitted to the lieutenant-governors of the several provinces.

## BUSINESS OF THE HOUSE

### PROCEDURE RESPECTING BILL TO AMEND THE INCOME WAR TAX ACT

Hon. E. N. RHODES (Minister of Finance): When notice was given of the introduction of this bill to amend the Income War Tax Act, and of the one that follows, to amend the Salary Deduction Act, 1932, it was believed that by having them placed on the order paper, under the heading "Introduction of Bills," these bills could be proceeded with merely by introducing them in the ordinary course inasmuch as they were bills proposing to continue existing acts for a further period of a year. It subsequently transpired that there is a specific rule of the house which requires that a tax measure must be preceded by a resolution. Under these circumstances I would ask the unanimous consent of the house, to accept this notice of introduction as notice of the resolution, in which event I would move that the house do to-morrow resolve itself into committee of the whole to consider the proposed resolution. The advantage of that course would be that we could proceed to-morrow with the resolution; otherwise, the next government day being Friday, we should be precluded from the consideration of the resolution until Friday. In these circumstances I would ask whether I might have the unanimous consent of the house. If not, it only remains for me to put the notice on the order paper and wait until Friday.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The minister's remarks apply, I take it, to the two last measures on the order paper. So far as the opposition is concerned, there is no objection to what he has proposed.

## INCOME WAR TAX ACT AMENDMENT

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

Resolved, that it is expedient to continue in force until March 31, 1934, the provisions of an act to amend the Income War Tax Act, chapter 44 of the statutes of 1932, and to provide that the persons therein described shall be liable to pay the tax thereby imposed in respect of salaries or pay paid to them by the Dominion of Canada during or in respect of the fiscal year 1933-34, in accordance with the provisions of the said act.

He said: His Excellency the Governor General, having been made acquainted with

the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

## SALARY DEDUCTION ACT

PROPOSED CONTINUATION OF DEDUCTION OF TEN PER CENT FROM SALARIES AND INDEMNITIES

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

That it is expedient to continue in force the provisions of the Salary Deduction Act, 1932, until the 31st day of March, 1934, and to provide that the provisions of the said act shall apply to the indemnities of members of the Senate and the House of Commons for the session of parliament which commenced on the 6th day of October, 1932.

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

Mr. POULIOT: Does this mean that we are postponing our objections until to-morrow?

Mr. DUFF: I do not wish to impede the progress of the minister's resolution, but I want to say here and now that I am just as much opposed to these resolutions as I was last year. I am opposed to any reduction in the salaries of the officials of the House of Commons or anyone else.

Mr. SPEAKER: There will be a proper time at which to express objections.

Mr. DUFF: I contend that I am entitled to express my objection upon the moving of the resolution.

Motion agreed to.

## TRADE RELATIONS WITH RUSSIA

On the orders of the day:

Mr. GEORGE W. McPHEE (Yorkton): I should like to address a question to the Minister of Agriculture (Mr. Weir), in connection with the now much discussed deal with Russia to exchange Canadian cattle for Russian products. My question is based upon a statement made last Friday evening by the hon. member for Battle River (Mr. Spencer). The hon. member stated that Mr. Serkau had been keeping closely in touch with the Minister of Agriculture and—



Mr. SPEAKER: The hon. member should state his question.

Mr. McPHEE: This is the basis of my question.

Mr. SPEAKER: It is not permitted to quote in this manner from debates of the same session.

Mr. McPHEE: The hon. member stated that the minister had given consent to Mr. Serkau before he went to New York to consult with the Russian agent, and that it was with the consent and approval of the minister that he went to Russia.

Mr. SPEAKER: The hon. member should proceed with his question.

Mr. McPHEE: My question is: Are or are not the statements made by the hon. member for Battle River correct?

An hon. MEMBER: Ask him.

Hon. ROBERT WEIR (Minister of Agriculture): I would like the hon. member to suggest what the withholding of my consent would have to do with that gentleman going to New York?

## QUESTIONS

(Questions answered orally are indicated by an asterisk).

SILLARSVILLE, QUE., POST OFFICE

Mr. MARCIL:

1. Has the Postmaster General received a petition signed by the patrons of Sillarsville post office, asking for the appointment of Mrs. E. G. Sillars as postmistress to succeed her late father-in-law, Hugh Sillars?
2. If so, what action has been taken in this matter?

Mr. SAUVE:

1. Yes.
2. Prior to receipt of petition, instructions were issued for appointment of Mr. Hudson Adams. In view of petition, the case is being given further consideration.

MAIL SERVICE FROM BONAVENTURE STATION

Mr. MARCIL:

1. Has a mail contract been awarded for the mail service between Bonaventure railway station and Bonventure East?
2. If so, to whom and at what price?
3. Who were the other tenderers and what was the price of each tender?

Mr. SAUVE:

1. Yes.
2. Pierre Henry, at $144 per annum.

3.

| | Per annum |
|---|---|
| Barthelemi Henry | $240 |
| Ovide Bourdages | 298 |
| Pierre G. Poirier | 340 |
| Alfred Bourdages | 344 |
| Fermin Bourdages | 354 |

JAPANESE LEAVING CANADA

Mr. REID:

1. Has any record been kept by the Department of Immigration of those of Japanese origin leaving Canada for Japan?

2. If so, what numbers have left Canada during the years 1927, 1928, 1929, 1930, 1931 and 1932?

3. What percentage of those leaving Canada for Japan have left with the intention of returning or on permit?

Mr. GORDON:

1. The only record kept by the Department of Immigration and Colonization of Japanese leaving Canada covers those registering outward with the intention of returning to Canada.

2. The number of outward registrations on record are as follows:

| | |
|---|---|
| 1929 | 798 |
| 1930 | 871 |
| 1931 | 835 |
| 1932 | 711 |

3. No information.

HAVRE ST. PIERRE, QUE., RECONSTRUCTION WORKS

Mr. CASGRAIN:

1. Has the government received a petition from the municipal council or citizens of Havre St. Pierre, on the north shore, in the county of Saguenay, requesting that improvements and reconstruction works be carried out at the wharf in this locality?

2. If so, does the government intend granting this petition?

Mr. STEWART (Leeds):

1. Yes.

2. Matter under consideration.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

AMOUNTS SPENT IN DIRECT RELIEF

Mr. GOTT:

1. How much has the present government spent in direct relief since assuming office?

2. How much was spent through unemployment schemes?

3. How much was loaned to provinces for relief work?

4. What amount was loaned to each province?

GRANDES BERGERONNES, QUE., WHARF

Mr. CASGRAIN:

1. Has any money been voted and spent to improve the approaches of the wharf at Grandes Bergeronnes, in the county of Saguenay, to enable boats to land more easily at this point?

2. If so, what money was spent for this purpose?

3. Who requested that such work be undertaken?

4. What is the name of the superintendent in charge of said work?

5. By whom was he recommended and appointed?

6. What was the total cost of this work?

7. What are the names of the persons engaged in this work?

## MOTIONS FOR PAPERS

LABRADOR-NEWFOUNDLAND CORRESPONDENCE

Mr. LAVERGNE:

For a copy of all documents, correspondence and orders in council with respect to part of Labrador, heretofore situated in the province of Quebec, taken over by the government of Newfoundland, and now forming part of the Dominion of Newfoundland.

MARIA, QUE., INDIAN AGENT

Mr. MARCIL:

For a copy of the evidence and a report of the investigation in connection with the charges against Edmund Nadeau, Indian agent, for the Maria Indian reserve, together with the correspondence and report regarding the appointment of Reverend J. A. W. Provencher as his successor, and that of J. Adhemar Cyr, presently in charge of the Indian agency.

CAMPBELLTON, N.B., POSTMASTER

Mr. MARCIL:

For a copy of all documents bearing on the appointment of the postmaster of Campbellton, New Brunswick.

VANCOUVER SURVEYOR OF CUSTOMS AND EXCISE

Mr. MACKENZIE (Vancouver):

For a copy of all correspondence in connection with the demotion of R. C. Maxwell, former surveyor of customs and excise at port of Vancouver.

VANCOUVER COLLECTOR OF CUSTOMS

Mr. MACKENZIE (Vancouver):

For a copy of all correspondence in connection with the retirement on superannuation of George L. Allen, collector of customs at the port of Vancouver.

VANCOUVER CHIEF CLERK OF CUSTOMS

Mr. MACKENZIE (Vancouver):

For a copy of all correspondence dealing with the retirement on superannuation of C. A. Whitehead, chief clerk of the customs department at port of Vancouver.

EXPENDITURES BY DOMINION GOVERNMENT

Mr. MACKENZIE (Vancouver):

For a return showing:

1. Amount paid by the government of the Dominion of Canada consequent upon the passing of the Maritime Freight Rates Act of 1927

2. Amount spent by the government of the Dominion of Canada on the Intercolonial Railway since confederation.

3. Amount spent by the government of the Dominion of Canada on the various harbours of Canada.

4. Amount spent by the government of the Dominion of Canada by way of assisting the various harbour commissions of the Dominion of Canada.

5. Amount spent by the government of the Dominion of Canada upon the canal system of the Dominion of Canada in: (a) the province of Ontario; and (b) in the province of Quebec.

VICTORIA, P.E.I., WHARF

Mr. MacLEAN:

For a copy of all letters, telegrams and correspondence regarding the work in connection with the extension and repairs to the wharf at Victoria, Prince Edward Island; also a copy of all tenders and a statement showing in detail the names of the different men employed on the work, the amount paid to each, the names of all parties from whom lumber and other materials for the wharf were purchased, the amount paid in each case, the name of the inspector and the amount paid to him for work done.

DISMISSAL OF ALPHÉE OTIS

Mr. LaRUE:

For a copy of all telegrams, correspondence and other documents, including copy of the evidence and proceedings of the inquiry in the possession of the Minister of Marine, with respect to the dismissal of Alphée Otis as light and fog signal keeper at Sainte-Félicité, Matane county, on September 16, 1927.

## ECONOMIC CONDITIONS

PROPOSAL THAT GOVERNMENT GIVE IMMEDIATE ATTENTION TO QUESTION OF DEBTS AND INTEREST RATES

Mr. ALFRED SPEAKMAN (Red Deer) moved:

Whereas; the question of public and private indebtedness has become one of our greatest and most perplexing problems, enhanced during the past years by the extremely low price level of all primary commodities, through which this indebtedness must be in large part met, and the effect of which has been to double and treble the actual burden of these liabilities; and,

Whereas; this fact has been recognized in respect of certain international obligations, and has become a practical issue in respect of the public obligations of many countries; and,

Whereas; no such recognition has as yet been given to the heavy private indebtedness within this country, although these, together with the high interest rates which prevail, constitute just as heavy and impossible a burden to the individual, as do national and international obligations to the countries concerned; and,

Whereas; this situation is one of the greatest factors in the present economic depression, and is one of the greatest barriers to the financial recovery of agriculture and industry, and as such, deserves and commands the immediate attention of this parliament;

Therefore be it resolved, that, in the opinion of this house, the government should give serious and immediate attention to the question of debts and interest rates within this country, and the possibility of their reduction, either by way of direct action, or by the submission of the entire problem to a special committee of this house, in order that the subject may be fully inquired into, and if possible, some solution found.

He said: Mr. Speaker, this resolution which stands in my name and which is now before the house deals with a problem and presents a situation which is familiar to most hon. members and which, I think, demands the serious consideration of us all. In drafting this resolution and its preamble I have endeavoured to make it, so far as possible, self-explanatory, so that it will contain within itself not only an indication as to the problem involved but one or two of the main arguments in support of the suggestion which is made, that suggestion being contained in the germane part of the resolution and asking that the government take into serious consideration the possibility of some reduction being made in the debts and interest of the people of this country, whether that reduction may be made by way of direct action or whether the subject may be dealt with through the appointment of a committee or in some other manner.

It might be said that I have not been very definite in this resolution. Not only do I admit the fact that I have made no definite suggestion as to the percentage of reduction which is necessary or which might take place, or as to the method which might be followed in applying such a reduction, if one were found possible, but I have purposely refrained from attempting to speak in a definite and dogmatic manner, for I recognize as clearly as does any other hon. member that this subject is one of tremendous difficulty; that it is fraught with complexities and that it can be approached only with great care and dealt with after careful consideration and deep thought.

Owing to the fact that my time is limited I shall not try to deal with the matter in other than a somewhat superficial way. Did my time permit, I should be glad to go into it in a more fundamental manner, and to discuss the question as to whether the growth

of debt was an inevitable and integral part of the system under which we live and whether it were possible under any circumstances for the debts of the world to be paid. But as my time is limited I shall confine myself to the more obvious phases of the situation.

I have stated that I am aware of the difficulties that are involved. I am also aware of many of the criticisms which might and undoubtedly will be advanced in respect of such a suggestion, and with your permission, sir, I shall endeavour to anticipate one or two of the more serious and obvious. It might be suggested in the first place that this question of debt reduction, so far at least as it applied to agriculture, was at this time wholly academic in that now and under present conditions it makes little difference to the average farmer whether his debts stand as at present or whether they are materially reduced, as in few cases on the farm is the farmer able out of existing prices to pay any part of that indebtedness, as it now stands or if reduced. But I must point out in connection with that objection, first, that this resolution does not confine itself wholly to agricultural indebtedness but deals with indebtedness as a whole and, second, that we surely may anticipate that there will be some change in the situation. As a matter of fact, were we to follow that line of action or of inaction which led to an indefinite perpetuation of the present situation at least in respect of agriculture, we might accurately anticipate, not that the question of debt reduction would be one of prime urgency, but that not only would agriculture itself gradually become bankrupt but those who are directly or indirectly dependent upon agriculture would follow that pursuit into bankruptcy. Whether by the flux of time—and I doubt this—or by definite action taken, I am taking it for granted that some change in the situation must be brought about, and when that time comes, then the question of debt and its payment becomes one of immediate and urgent consideration.

It might also be suggested by way of criticism that in this resolution I am calling upon a federal government to consider matters which, under our constitution, are outside federal competence. I have no such purpose in mind nor am I suggesting that the federal or any other government should exceed the bounds of its own constitutional jurisdiction. I am not suggesting that we should ignore the law as it stands, but I am proposing that among the various governmental authorities, federal and provincial, within this country, in cooperation and joint action lie sufficient power and authority to deal not only with the question of debt, but with any other question in which the general good of the Canadian people is so deeply involved. I am suggesting that this government might well consider the question to the extent of its own jurisdiction and competence and, realizing that a part at least of the question of interest lies within federal competence, might take the lead, as the senior body, if one might so term it, within Canada in bringing about conference and cooperation as between itself and the provincial governments with the object of deciding upon and, if possible, putting into effect some policy which would relieve this intolerable burden. That is as far as my suggestion goes. I might further suggest along the same lines, that the federal government, as a federal government, is deeply concerned and that the resolution now before us might also contain a reference to the international situation and the part which Canada must play.

The other criticism which might well be advanced, and which as a matter of fact has been advanced throughout the country, is one touching the financial morality of such a suggestion. There is the question as to whether or not by any action, governmental or otherwise, bodies, individuals, corporations or countries which have loaned money should be deprived of a part of their rights when they demand repayment. There is the question as to whether we should suggest that a creditor organization which has loaned, say, $1,000 some years ago should now content itself with the receipt of $500. I use these figures arbitrarily and merely by way of illustration. In this connection I would ask the question: What was loaned at that time? Money? Yes. But what is money? I am not going to enter into an academic discussion concerning money, but I am going to suggest that, after all, what was actually loaned had in itself no intrinsic value. What was loaned was potential purchasing power, potential goods, potential commodities, potential service. In other words what was loaned was the equivalent of certain goods or services which might be rendered. To my mind there is nothing unjust in the suggestion that in these days of public stress, in these times when every citizen in the land is sharing or should share the effects of present conditions, we should at least consider the question as to whether it would not be perfectly fair to return to the creditor the same value in purchasing power, the same value in respect

of goods and services purchased, as had been advanced, together with fair interest. To my mind that is a matter which might well be considered; it is a question which few have answered, and it is a suggestion which will come within the strictest bounds of financial morality.

Then there is another aspect of the matter which is much more serious. We are well aware that during a war—in fact at any time of public emergency—the legal right of individuals must at times give way to the public weal. I am suggesting there is more involved in this matter of debt than merely a legal demand upon some person to repay a sum of money borrowed, than merely the legal right of some individual or corporation to receive repayment of a sum loaned. There is the question of the effect of the debt situation upon the entire community, upon the welfare of all the people and of the state itself. To my mind not only is there a tremendous question involved but in this situation there is a definite menace to the well being of all of us. After all, concerning certain classes of international indebtedness, it has been recognized throughout the world that the repayment of such debts, even if possible, would be detrimental to the public weal—would be detrimental alike to both the loaning and borrowing countries. That was recognized fully in respect of the German war reparations. Step by step, period after period, conference after conference, the demands for reparations have been reduced until at Lausanne those demands were practically wiped out. They were not, in my view, wiped out from any altruistic motives; they were wiped out because of the definite recognition on the part of the allies that they would suffer equally with the country called upon to make the payments. The allies recognized that the withdrawal annually of those large sums of money from the current purchasing power of the world, that the payment of those moneys without a corresponding exchange of goods, was detrimental to public interest and a definite handicap to the restoration of trade. The same argument could be applied with equal power and equal truth to other classes of war debts. It will be noted that to-day the statesmen of the world recognize that fact, and not only is debtor country after debtor country defaulting or threatening to default, repudiating or threatening to repudiate payment of the moneys they owe, but even Great Britain herself, whose financial morality has never been questioned, and who has prided herself upon her ability and willingness at all times to pay every dollar when due, has come to the conclusion, and has so notified her chief creditor, that some different arrangement must be made, and that the latest payment she made may be the last under present circumstances.

Again, Mr. Speaker, the withdrawal of that percentage of current purchasing power, the absorption of that portion of the national income along unproductive lines is a menace and barrier to future trade recovery. To my mind it is the impelling motive, and will be the impelling motive when these arrangements are perfected, and when these debts in large part will be—and I believe they will be—wiped out and cancelled. After all—and this is a somewhat paradoxical situation—the ill effects of payments of international debts is felt just as much by the creditor nation as the debtor nation. To-day we have the seeming anomaly of the United States, the chief creditor country of the world, declaring on the one hand a definite policy providing for debt repayment, and, on the other hand recognizing, as every country must recognize, that in the last resort those debts must be paid in goods, refusing to accept payment in that form. She realizes that such payment would not only inflict hardship upon the country charged with payment, but would inflict greater hardship upon herself. To avoid that eventuality they have raised barriers to prevent the payment of those debts in goods, because if the debt were paid in that way great quantities of goods would be admitted into the country without calling for the export of other commodities in return. Nations of the world are beginning to realize that such a situation would end in the closing of factories of the creditor country, and a tremendous increase in unemployment figures. I cannot but believe that what applies to war debts or reparations must apply with equal force to other forms of international indebtedness. Every factor which makes it impossible or inadvisable to pay war debts in full operates to exactly the same degree and in exactly the same way in respect of all other international obligations. There may be a difference of course, from an academic point of view, or from the point of view of financial morality, if you will—a difference in the origin of the debts, or a difference in the purpose for which those debts were incurred. But from the business point of view, and that is the aspect from which I choose to discuss it, there is no difference in the effects of the repayment, or the demand for repayment, as between one form of international liability and another.

Now as my time is passing rapidly and, as these arguments are being given increasing recognition throughout the countries of the world, may I suggest that some of them apply with almost equal force to internal and private indebtedness? When we survey the debt situation throughout the world and endeavour to compute the amount which is now owing we find a sum which is so huge as to stagger the imagination. Four hundred billion dollars, the computed amount of world indebtedness, means nothing to me personally. I can no more comprehend it than I can comprehend the computations by which astronomers measure the distances between stars or the speeds at which certain stars may travel in their orbits. Four hundred billion dollars means as little to me in actual effect as the distance represented by a light year. Any consideration of that sum, any question of repayment in full or even in large part becomes not only meaningless but positively ludicrous. When you consider that the interest alone at five per cent amounts to $20,000,000,000 a year on world obligations, I think it becomes obvious that the business of this world, the production of this world, the ability of this world to pay must fall infinitely short of that vast sum.

Now we turn to private indebtedness, internal indebtedness, the discussion of which is the main purpose of this resolution, and which to a much greater degree than international indebtedness is in our hands, within our own competence, and is a much more immediate and urgent problem as far as we are concerned. I have been endeavouring to compute with as great accuracy as possible the aggregate of debt within this country. I have been unable to arrive at an accurate computation, but roughly speaking, drawing upon the last census returns I find that in interest bearing bonds publicly issued, that is federal, provincial and municipal, we owe $4,600,000,000 of which $3,220,000,000 is owing in Canada and $1,380,000,000 outside of Canada. Then I find also that other bonded debts, that is of railway and other corporations, amounts to nearly as great a sum. I say "nearly"; a billion dollars less, but what is a billion dollars in view of sums such as I have indicated? Their bonded indebtedness amounts to something like $3,500,000,000, of which $1,500,000,000 is due in Canada and nearly $2,000,000,0000 due outside of Canada.

Then I find that mortgages upon farms amount to approximately $700,000,000. There is a question in doubt in regard to that, I have been unable to obtain satisfactory information as to whether that includes all forms of sale agreements on farms, some say it does, some say it does not, I have been unable to ascertain from any of our authorities whether in taking the census all census takers treated those questions alike, and secondly, as to what actually was involved. But the weight of opinion is that this does not include agreements of sale, but only mortgages, where the money has been actually loaned to an individual already owning his land. And this total does not include mortgages on town or city property, but only farm mortgages.

Then I find that the sums owing to banks of this country by individuals and corporations amounts to somewhere about $2,500,000,000. Again I have been unable to get definite details as to that indebtedness, but that figure is given me from the census office from the best authorities that I can consult as approximately the amount owing to the banks at the present time.

These figures then, totalling about $12,000,000,000, can be taken as fairly definite. But they do not include, as I say, mortgages on town or city property, it is unlikely that they include amounts owing on sales agreements on farm and other properties, and they do not include the vast total of relatively small debts owing by various individuals and companies, to retail stores for instance. So I think it would be safe to estimate that you can add another five or six billion, but I shall confine myself to the $12,000,000,000 definitely indicated, merely suggesting that this is not the whole. A tremendous load, you will say, upon a population the size of ours. Including interest it calls for an enormous percentage of our national income. As to the interest charges, that again is somewhat uncertain because the rate of interest varies greatly, from perhaps 4½ per cent in some favoured cases, 5 per cent on some classes of bonds, up to 8, 9, and 10 per cent upon certain classes of mortgages and other liabilities. Indeed, Mr. Speaker, I know that in many cases, through fees, charges on renewals, compounding of interest, it amounts to as high as 12 and 14 per cent for some unfortunate people. But even if you take it on an average at 6 per cent and apply it only to the $12,000,000,000 of which we have definite record we have a sum of $720,000,000 a year due in interest, an amount double or treble the entire value of this last year's wheat crop.

Now what is the effect of that? I must deal with it very briefly, and merely from two aspects. First as to the effect on the public weal, using the term commonly used, one expressing a situation of very great importance. What is the effect of the with-

drawal from channels of consumption, from current purchasing power, of so large a sum? Of even so large a sum as that part which is paid? It must be remembered in this connection that a large part of these annual payments is due, not to men of moderate means, who will spend the greater part of their income in the purchase of commodities or services, but to men or corporations whose income already covers their needs, and the bulk of whose surplus income must go not into purchasing channels but into investment. Now investment is necessary and good. But the common form of investment is either bonds or additions to our productive plant or its improvement. No matter how it is invested it is not added to the purchasing income of this nation in respect to its purchase of goods.

What is the effect of its withdrawal from current purchasing power? The effect is obvious on all sides, in every country. As you withdraw purchasing power—it is true that this is only one factor in the situation—the inevitable result must be unsold goods and crashing price levels. Both of those conditions are with us to-day, and to this the debt situation, the payment of debt and of interest as far as it is paid, is one of the main contributing factors. It is for the public good—including the cerditors in this country—to see a revival of trade, an increase in the price level of primary commodities, a general speeding up of the wheels of industry. This can only be accomplished through an acceleration of and adding to the means of consumption. I must leave that, for time will not permit any detailed discussion of the point.

Now I come to the effect of debt on the private individual—its damning and crushing effect—and if I confine myself largely to its effect on agriculture it is from no lack of realization that it applies with equal force and weight to other industries and individuals; but I am familiar with its effect on agriculture, and I prefer to speak of that which I know. Take the case of the average farmer to-day—and I am not speaking now of the farmer whose position has always been hopeless; I am not speaking of the inefficient farmer, but the average farmer who is recognized by those who know him as being as efficient and courageous an individual as will be found in this country. As a matter of fact, when you take into consideration the ordinary vicissitudes of farm life, the uncertainties through climatic conditions which must always be the farmer's lot, you will recognize that to be a farmer continuously, to stay with the job year in and year out throughout a lifetime, requires courage, patience, perseverence and optimism of no mean order. But he is content with that.

Consider, however, the situation of these men to-day. Some years ago, for purposes of increased production, in some cases because of the encouragement offered by the high price levels, because of the demand made on the farmer for increased production, because of governmental and financial encouragement, many of these men, too many of them, went into debt. I am not discussing the question whether or not they should have gone into debt. I suppose if our foresight had been as good as our hindsight, many of us would have acted differently four or five years ago than we did. But they did go into debt for business purposes, and certainly for purposes perfectly meritorious. They borrowed money, mortgaged their farms and other property as security for the payment of that money, and anticipated at that time, as they had every right to anticipate from the price levels, the general conditions, future prospects, and from the optimistic statements of every political and financial leader in the country, that they would be able to borrow in safety and repay when the time came.

Prices crashed and this money, we must remember, was borrowed at that time mainly on high prices. That statement will go unchallenged. Certainly no farmer has borrowed, at any rate very few farmers have borrowed any money since prices fell. No money has been loaned since that time. So that I am safe in saying that the debt was incurred on high price levels. Now the farmer finds himself with a debt which was a moderate and reasonable one at the time it was incurred, bearing not too great a proportion to the value of his assets; but to-day under any fair appraisal—and I am not speaking now of forced sale when land and stock are worth practically nothing, but of fair appraisal—to-day, I say, under any fair appraisal, tens of thousands of these men owe more money than the entire value of their assets; and if the ordinary rules of bankruptcy were put into force, that is to say, the ability to pay when due the amount due, they would be bankrupt. Of course, they are not bankrupt now in that sense, because no one is attempting to foreclose, or very few. No mortgage company or bank, no individual wants to take a security which has become a liability; they do not want to find themselves obliged to pay taxes on the land. At the present time therefore the land is reasonably safe. But the farmers find themselves confronted with a debt greater in amount than the

entire value of their property, and with an income reduced enormously through the crash of prices.

Let me give one slight illustration. There is a man whom I know very well who borrowed a relatively small sum—$2,000. He borrowed at a time when the price of wheat in my locality was a little over a dollar net to the farmer. He was unable to pay because the price fell shortly after the time he borrowed. To-day wheat is worth, roughly, 25 cents a bushel at the country point in my district, for No. 1, as compared with a dollar and a few cents three years ago. That means that while he borrowed the value of 2,000 bushels of wheat he must pay 8,000 bushels in return. Now, wheat itself has not lost its value; it is as valuable for food purposes as ever it was. But it has lost its value in relation to other goods and principally in relation to money. This man is called upon to pay that increased number of bushels of wheat. It is not merely a matter of his debt having quadrupled; his ability to meet his indebtedness has been cut far more than four times. A man farming pays his debts out of the surplus left after he has paid his cost of living, operating expenses and taxes. Even were there a modicum left to-day, you will realize that it takes a far greater percentage of 25 cent per bushel wheat to maintain his farm and keep his family than when wheat was worth a dollar. The surplus left therefore, if any, is a much smaller proportion of the entire crop than at the time wheat was higher; and yet that smaller surplus is worth only one-quarter as much per bushel. So that the debt-paying ability of the farmer has been cut eight or ten times, even if the price has fallen only three-quarters.

Now what will this man do? You will say to him, carry on. Surely; he is carrying on in the hope and confident trust that times will improve, in the confidence that the mortgage company will not foreclose, for reasons I have indicated, or that the provincial government will step in with some protection and prevent foreclosure. But what then? The man is not paying that principal; he is not paying his interest. As a matter of fact he has cut his standard of living to the bone. In doing so he is leaving goods unpurchased on the shelves in the stores. This results in factory wheels being slowed down, thus adding to unemployment. He has cut his operating costs, and that means that he is reducing the efficiency of his farm for the future. He is allowing weeds to grow because he cannot keep them under control; he is allowing the place to fall into disrepair because he cannot keep it in proper condition; his fences are falling in because he cannot repair them; his machinery is wearing out because he cannot replace it; and his efficiency is being reduced not through any fault of his own but because that is involved in the lower cost of operation. He is paying his taxes if he can. But he sees year by year not only that unpaid amount remaining but the accumulation of interest. His debt is increasing, and there is a situation which is breaking the hearts and threatening to break the morale of the most courageous and optimistic lot of men in the country.

I am asking to-day that in view of these circumstances the government should do something—not that they should step in and immediately cut debts; no. I am asking, however, that they take into serious consideration the possibility of this being done; that they acquire all the knowledge and the experience that men may give them; that they discuss it with those who are interested in cooperating and in endeavouring to remove part of the burden. For it is obvious to all that it is not only the individual who suffers; but the nation itself, under that load, when faced with the upward trend, which we hope is ahead of us, will be hampered and weighed down so that the climb into that prosperity which we are all hoping for will be retarded. May I repeat that I am asking for nothing unfair. It is the duty of every citizen of this country to bear his or her share of the troubles which lie upon the land. Amidst the crash of falling values when stocks have disappeared, when men once wealthy have become poor, when farms have become liabilities, when primary goods can be hardly given away and when retail goods have been left upon the shelves, one commodity, one set of men are standing untouched—money itself has retained and is increasing its actual value. It is a misnomer and a mistake to treat money as a commodity and to my mind it is a most ridiculous and anomalous situation that when the value of the real wealth of the land has fallen, the value of the symbol itself remains untouched or has actually increased in value. It is not right that one class of men, the creditor class, should be immune in an emergency which is crushing and threatening the nation itself.

I am not asking for anything unreasonable and I have endeavoured to avoid speaking in a political, a critical or a partial manner. I am not imputing blame to any government, as no government in itself has been responsible. Certain governmental actions have added to the situation, but the difficulty lies in the system under which we live and move.

I am speaking of this matter from the point of view of what I believe to be practical business and common humanity. I fervently hope that the house will consider this matter from the same point of view, that it will give its unbiased consideration, its most intelligent thought and considered vote in an effort to assist the people of this country and of the world in removing a burden which can no longer be borne.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I think we will all agree that the hon. member who has just resumed his seat (Mr. Speakman) has brought to the attention of this house a serious problem which confronts not only the people of this country but of all civilized countries of the world, namely, the question of debt and the question of interest. In reading the motion which the hon. member moved I notice that apparently he intended to confine its scope to what one might call the domestic debts of the Dominion of Canada; in his motion he asks that the immediate attention of this house should be given to the question of debts and interest rates within this country. While in his opening remarks he elaborated quite fully his own views with regard to what one might call the international financial situation throughout the world, I think he intends his motion to apply more particularly to what I might describe as the domestic situation or the question of national, provincial, municipal and private debts within the borders of the Dominion of Canada.

The figures which he gave to the house with regard to these various classes of debts I think produced something in the nature of a shock. Personally, I had no idea that the aggregate indebtedness at this moment of the Dominion of Canada was anything approaching the figure of twelve billions of dollars; I thought the total amount would have been much less. These figures stated by the hon. member are so enormous that I think the house should take serious note of the situation as it exists to-day. When one contemplates the aggregate debt of the country one must also contemplate the aggregate amount of interest which is payable annually in respect of such debt. As I understand this motion its purpose is to induce this house or a committee of this house to give serious and careful study to this important and pressing problem. As the hon. member elaborated his ideas I thought that he was perhaps a little academic and a little theoretical in his treatment of the situation and I was inclined to think that he should have offered something in the nature of a practical suggestion as to what might be achieved to the end asked for in his motion.

In this country there are roughly four chief divisions of indebtedness. First, there is the public debt, in which term we include national debts, provincial debts and municipal debts. Then, there is another type of debt which is also a public debt namely, our railway debts. I always include railway debts when considering the public debt of this country. There is yet another vast amount of indebtedness which has to be considered namely, that of the great corporations of this country. Private corporations have raised large amounts of money by bonds and otherwise both in this and other countries, and these obligations must be considered to some extent at least as public debts of the country. Unfortunately, a large proportion of these corporation debts are held and are payable outside of Canada and this fact rather adds to the burden which we have to bear in respect to them both in connection with the payment of principal and the payment of annual interest.

We then come to what we might call the private debts of the country, the debts which the people of the country owe to each other, to the banks, to the loan companies, and to individuals. In respect of all these debts interest is payable. Under the act which constituted the Dominion of Canada the matter of interest was placed among those subjects which come within the exclusive jurisdiction of the parliament of Canada. By subsection 19 of section 91 of the British North America Act, interest is specifically mentioned as being one of the subjects to be dealt with exclusively by this parliament. To many it may come as news that there is in existence an act of this parliament known as the Interest Act. Unfortunately or fortunately in dealing with the subject of interest this parliament has to a very large extent divested itself of authority in respect of past transactions. The second section of this act provides:

> Except as otherwise provided by this or by any other act of the parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever, any rate of interest or discount which is agreed upon.

Parliament in its wisdom has left the question of interest almost entirely at the will of the people who enter into contracts or make bargains. The only practical enactment contained in the Interest Act having application to past transactions, is to be found in the third section which provides that where no interest is stipulated in the bargain or agree-

ment, five per cent shall be the maximum amount which may be chargeable.

It is true that there are provisions in the act with regard to the rate of interest which may be charged upon mortgages, but these provisions are not what one would describe as being provisions of practical utility. For instance, in respect of mortgages it is merely provided that where the payment of principal and interest is combined as in the instalment plan that a specific rate of interest must be stated in the mortgage and no greater rate can be charged. There is also provision that where a mortgage extends beyond a period of five years it can always be paid off at the end of the five year period by tendering the amount of the mortgage plus three months' interest in advance by way of bonus. The same section also provides that after such a tender no further interest may be charged. These are practically the only items of general utility mentioned in the Interest Act.

We have a number of special acts which deal with interest. We have in the Bank Act provisions in regard to the rate of interest. We have in the Exchequer Court Act provisions under which five per cent only can be charged. We have in the Expropriation Act and in the Bills of Exchange Act provisions in relation to interest. We have likewise on our statute books an act known as the Moneylenders' Act under which I think the maximum amount chargeable by way of interest is 12 per cent, but that act applies only to loans under $500, so that the Moneylenders' Act is one of very limited application. One may state in general that this country, whatever rate of interest may be agreed upon between the borrower and the lender, such rate will have to be paid, except under certain specific acts some of which I have just mentioned. So far this parliament has not taken any very definite action in regard to the question of interest although its jurisdiction in respect of that subject is certainly exclusive and, I believe, unquestioned. To a large extent parliament has left the question of interest to be agreed upon by the borrower and the lender.

The practical question is: How are we going to proceed to reduce the debt and interest in Canada and at the same time be just, do no wrong to any party concerned? It will be readily understood that most of our contracts and agreements, in fact one might almost say all of them, are made under the authority of provincial laws; they all touch the great question of property and civil rights; they are contracts upon which this parliament of Canada has no right to legislate. The only legislative right of this parliament would be to fix the rate of interest; but this parliament has already expressly provided in the Interest Act that the parties themselves may stipulate and agree in regard to the rate of interest which shall be charged. After having given parties the right to negotiate, to make their own agreements in respect of interest, would it be wise or proper for this parliament now to intervene and in any way to alter or vary rights arising under contracts and agreements which we have permitted to be made and where various interest rates have been agreed to between the parties?

There may be some means, which does not for the moment present itself to me, of meeting a situation of this kind. No practical suggestion was offered in regard to the matter by my hon. friend who moved the motion. If there is a prospect of reaching a solution of the problem, of finding a remedy for the pressing situation which undoubtedly exists in this country as regards both debt and interest, the house will certainly welcome the opportunity. I notice my hon. friend in his motion asks that a committee of this house should study the question and report upon it. I would heartily agree with his suggestion. Perhaps a special committee might be best for the purpose, but in my judgment I think a question of this kind might well be studied by the banking and commerce committee. That, however, is not a matter of importance. The banking and commerce committee is already constituted and I think at present embraces in its numbers all or practically all hon. members who are most familiar with the subject of finance, public debt, banking, interest and the like. My suggestion—and it is only a suggestion—would be that this particular question should be referred to that committee to be dealt with at the present session, and if any solution can be found which will assist us in reducing rates of interest or in reducing the public and private debts of this country, then my hon. friend will be entitled to congratulations in regard to debt from every corner of the dominion.

I am not dealing at all with the international situation; I am at the moment referring only to those debts which are hampering us in this country and those burdensome interest payments which we are called upon annually to make in Canada. Whether from private individuals, corporations, municipalities, provinces, or from the Dominion treasury, I cannot recognize much distinction between them. They are all oppressive; they

are all burdensome. I think I can admit that I did not fully realize the enormous amount of indebtedness of this country until I listened to the figures submitted to the house this afternoon by the hon. member for Red Deer (Mr. Speakman). I suppose an ideal state for this or any other country would be to have no debts, either public or private. Indeed we may well recall the words of William Shakespeare when he says:

> Neither a borrower nor a lender be,
> For loan oft loses both itself and friend;
> And borrowing dulls the edge of husbandry.

However we may never reach that happy condition. Business has to be carried on in this, and every other country by means of credit. The question is: What rate of interest must we pay for the credit which is necessary for the conduct of business? Is there any practical way of controlling interest rates except through the inexorable law of supply and demand? Personally, I trust this motion may pass this house and that the whole question may be referred either to a special committee or to the committee on banking and commerce, and let me express the hope that the committee, to whichever one it is referred, may bring in something in the nature of practical conclusions from which we may eventually obtain some relief.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, I am glad indeed to second the resolution moved by the hon. member for Red Deer (Mr. Speakman) and I am sure hon. members will join with me in congratulating him on the clarity and forcefulness with which he presented the subject matter of this resolution to the house. I should also like to congratulate the Minister of Justice (Mr. Guthrie) on the manner in which he has accepted the resolution and advised the house to pass it and refer it to a committee. He stated that the hon. member for Red Deer had not offered any practical solution to this question. We are all looking for solutions, and the idea of the hon. member was that instead of a solution being offered by him, the question should go before a committee of the house where it would receive the benefit of the combined wisdom of the members of that committee in offering a practical solution to deal with this all-important question, one which I think touches the very lives of the people at the present time.

When one speaks of scaling down debts, this is looked upon by some as repudiation and therefore with disfavour, but in my opinion the average individual is honest and wishes, if at all possible, to liquidate his undertakings, I believe hon. members will agree that we are facing at present entirely new world conditions. As the Right Hon. Winston Churchill, speaking on the last British budget, says:

> As I left the politics of yesterday for those of to-day, I now leave the politics of to-day for those of to-morrow.

In other words, what was good for yesterday may not be good for to-day or to-morrow, so we have to change our outlook according to the general conditions with which we are confronted. When we come to the question of debts I am sure most hon. members, including the Minister of Justice, have certainly been shocked by the startling figures presented to the house this afternoon by the hon. member for Red Deer. I am not going to repeat those figures, because they are already on Hansard.

Coming down to the question of farm debts, I shall direct my remarks more particularly to conditions obtaining in the province of Alberta, from which I come. It is not my wish to cast any reflection upon those engaged in taking census information, but I suggest there is at least a doubt as to whether or not the figures as shown in the census reports present a true picture. I find from those reports that there are 97,408 farms in the province of Alberta. Of that number 34,305 reported debts, showing a total debt of $108,463,700. In other words only 35 per cent of Alberta farms report encumbrance, and the natural conclusion would be that 65 per cent are clear of debt. I believe any hon. member who is familiar with conditions in western Canada will agree it is hard to believe that 65 per cent of western farms are in that fortunate position. We know, further, that apart from mortgages there are many other debts. Before a committee of the Alberta legislature sitting about a year ago the fact was brought out that the retail merchants in that province alone had on their books debts totalling over $40,000,000. We know that those debts in most cases were contracted in good faith, but that the price levels at which they were contracted were much higher than they are to-day. As everyone knows the price of farm products to-day has dropped approximately 60 per cent, while the cost of living has dropped only about 20 per cent. Farm prices have been cut more than 50 per cent while debts, mortgages, interest rates and other charges have remained the same. It is generally recognized to-day by all well informed people that war debts must be cancelled. In this connection I should

like to quote the words of Mr. Chamberlain, as they appear in the press of recent date:

> Now in pointing out what would be the effect of resuming war debt payments, I am not using threats. If you see a man walking along a precipice and you point out to him that the ground just in front of him is undermined, that is not a threat, it is a warning, and it is not less friendly because it is evident that if the man goes over the precipice he is quite likely to drag you down with him.

I believe that is a point we should all keep in view, because it is becoming generally recognized that to force payment at the present time is just about as harmful to the creditor as the debtor. While there is a general feeling that war debts must be cancelled I think we must come to the conclusion that the same process must be applied to governmental and private debts. I have before me a copy of the Toronto Saturday Night of February 4, a publication printed in Toronto, the financial centre of Ontario. In it I find the following:

> That it is time something was done to readjust the relations between debtor and creditor, so far as the sovereign power of Canada can properly readjust them, becomes daily more evident. We do not think the east of Canada fully appreciates the tremendous force behind the demand for readjustment of interest rates—even on old contracts—in the west.

It is encouraging to find a paper from the city of Toronto voicing that viewpoint, because there is a general feeling in western Canada that the east has not a full appreciation of the tremendous debt load carried in the west. Just as the world has become more and more interdependent, so are the different classes of people becoming more interdependent. No one class can hope to be prosperous while another class suffers. These facts lend some force to the expression of Mr. Chamberlain to the effect that if the debts are enforced the creditor will also suffer.

No matter how honest a farmer may be, how can he pay his debts under present conditions? As the hon. member for Red Deer (Mr. Speakman) has said, the price of wheat at most local points in Alberta is about 25 cents a bushel. The result is that a debt of $1,000 contracted when wheat was worth $1 per bushel is equal to a debt of $4,000 to-day. Then, turning to cattle and hogs, I find some information in the live stock market report of February 2, 1933, issued by the Department of Agriculture which I have no doubt will be of interest to hon. members. These are the average prices in the cities of Toronto, Winnipeg and Calgary:

| | Toronto | Winnipeg | Calgary |
|---|---|---|---|
| Steers, good and choice | $3 78 | $3 29 | $3 10 |
| Steers (up to 1,050 pounds) medium | 3 45 | 2 53 | 2 60 |
| Hogs (bacon) | 3 65 | 2 82 | 2 62 |

From my experience I know that from seventy five cents to one dollar is charged for freight and commission to deliver those hogs from most points in Alberta to Edmonton or Calgary. When one realizes that a 200 pound hog will bring only $4 or less he realizes how impossible it is for the farmer to meet his obligations.

In regard to poultry raising I do not believe any people in Canada are playing their part better than the farm women. When the price of wheat went down to such low figures the women, in order to do their share in an effort to help out, went in for raising poultry, and especially turkeys. However, at Christmas time in the district from which I come No. 1 turkeys were selling at 6½ cents a pound, No. 2 for 4½ cents and No. 3 for 2½ cents. It was quite a common thing to buy turkeys weighing 15 or 16 pounds for as little as fifty cents. Under those conditions the farm women can derive very little encouragement. A wrong impression has been broadcast by a number of people who have travelled through western Canada to the effect that everything in that section of the country is fundamentally sound. True, there have not been many evictions; in most cases the farmers have been allowed to stay on their lands. As a matter of fact it has got to the position where the creditor does not want the land, it is a liability to him at the present time, because when he takes possession he becomes liable for taxation. It is true that the people are becoming more or less reconciled to the condition. But there is a feeling of bitterness developing amongst the farmers, for they realize that while they are allowed to live on the land, yet all the time interest is piling up, and now that there is very little hope of this depression passing in the near future they realize that by the time it does pass all the equity they may now have in their land will have disappeared and they will find themselves with nothing, and their life's savings gone.

Dealing with this interest question I think Australia has set an example that is worthy of consideration. If I am rightly informed, they cut interest by 22½ per cent, and also lowered the rate on bank deposits and loans.

There is no question that conditions are serious, and I am very glad indeed to know that the government is prepared to accept this resolution, and I trust that when it comes before the committee they will give it the consideration which it deserves.

Mr. F. W. GERSHAW (Medicine Hat): This resolution, Mr. Speaker, deals with a subject which is very prominently before the people of Canada at the present time. People everywhere are discussing it; indeed one of the most hopeful signs on the horizon at the moment is that interest in economic problems such as this is widespread and general. Clearly the primary producers are being discouraged and crushed by the burden of debt and interest charges, and everyone recognizes the necessity of some adjustment between the debtor and creditor classes. If there is one point I would like to make clear and emphasize, it is the fact that recovery in general is inseparably bound up with the recovery of agriculture in particular. Everywhere we find stagnation in business. This is due largely to lack of purchasing power, the sources of which in Canada are largely the sale of products of the forest, the mine, the sea and the land. Of these primary products agriculture is the most important, because some forty-seven per cent of the people of Canada are engaged in agriculture. When our agriculturists are in the red, as it were, there can be no prosperity, because the curve indicating the progress and welfare of the agriculturists is reflected in the curve marking the prosperity of Canada in general. Mr. Wilson, of the Royal Bank, made the statement recently that during the past year interest rates on bonds had fallen from 5.20 to 4.83 per cent. This is a small reduction; it is nothing compared with that which has taken place in the prices of primary products. Certainly the value of money has remained up, whereas the value of other things has greatly depreciated.

I desire at this time to put on Hansard a few figures from the Minneapolis Tribune, showing that the production of wheat has more than doubled during the last forty years. In the United States of America it has increased from 378,000,000 bushels to 890,000,000 bushels; in Canada from 42,000,000 to nearly 400,000,000 bushels; in the Argentine from 31,000,000 to 219,000,000 bushels; in Australia from 27,000,000 to 171,000,000 bushels; in India from 229,000,000 to 347,000,000 bushels. In Canada we have a crop usually somewhere around 400,000,000 bushels. We can only use 100,000,000 for food and seed, so we are faced with the necessity of marketing between 200,000,000 and 300,000,000 bushels. I believe that the difficulty in distributing this amount would have been much less had we some sixteen or eighteen months ago followed Great Britain and some twenty-one other countries in going off the gold standard. Where can we find a market? The countries of Europe,—France, Italy, Germany,—have high tariff barriers against our wheat. Great Britain cannot take it all. For years we looked with hope to the Orient. We saw there a great potential market, with hundreds of millions of hungry people, but recently we have lost that market. According to the figures from Mr. Marler's office, referred to the other night, we have lost it to Australia, because in 1928 we supplied 51 per cent of the wheat imported by Japan, and at present we are supplying only 13 per cent, just enough for blending purposes. Australia in 1928 supplied only 12 per cent, and to-day is supplying 84 per cent. So that great market is gone. Also the flour millers of this country have in the past supplied the Orient with large quantities of low grade flour. Recently some of them tendered for contracts; if they had received those contracts their mills would have been occupied for a long time. Unfortunately for us the contract went to Australia, because Australia was able to make more use of the money of China. The premier of Australia pointed out recently that his country by the action it had taken had been able to improve very much its desperate financial condition. Why is Australia taking from us the market that we so badly need? Why is it possible for them to get flour contracts, sell their crop and improve their financial condition? I think the answer is clear; they have depreciated their currency, when world-wide deflation was sweeping over all countries. Canada, almost alone among the smaller nations of the world, has taken the full impact of deflation unchecked and unsoftened by any form of reflation. We have seen values crumbling around us, and no hand has effectively stopped them. Even to-day we are trying to pay debts that in present values, of wheat for example, amount to three or even four times what they amounted to when incurred. We find it very difficult to carry on trade; while people in New Zealand and Australia and the Argentine, who are our competitors, can sell their products in Great Britain and taking home the pound sterling find it worth $6 to $7, we in Canada in selling to Great Britain find the pound sterling in our country worth something like $3.80. How can we compete on an unfair basis such as that? Surely there has been much misery and suffering owing to the unfair position in which our producers find themselves.

In discussing some of the effects which deflation has had, I wish to put on Hansard a few figures taken from Stuart Chase's book entitled "The New Deal." I quote these figures because of their accuracy, although similar conditions could be found anywhere in our own country. A certain committee visited 6,304 families in New York. These families were unknown to the relief organization. They did not apply for relief. We find that 81 per cent lacked food; 88 per cent were in arrears for rent; 38 per cent lacked winter clothing; 25 per cent were short of fuel; 67 per cent were in arrears for life insurance; 74 per cent borrowed from relatives, and 1,500 families had pawned their furniture to buy food. That, remarks the author of this book, is what deflation means in human terms; that is the grim savagery of the business cycle downward. We need only look around us in Canada to see what deflation has meant here. We find that a debt which could have been paid in 1929 with 100 bushels of wheat now requires 400 bushels. Unemployment is more widespread; financial stringency is greater; tariffs are higher and confidence is less. According to the definition, deflation is caused when the available supply of goods outruns the available supply of money, and it is quite easy for us to see how, in days like these, when new machinery is being invented and when more and more capital has been put into larger and larger factories—when these conditions exist, it is easy to see how the supply of goods could exceed the supply of money, and when that happens deflation occurs. It has happened before. History records that away back in the early ages the Roman Empire had a standard of living which until that time had not been thought of. So long as they were able to get gold from the mines of Spain and Greece their prosperity continued, their standard of living was maintained. But when these mines were worked out and there was a shortage of gold, the Roman Empire declined and fell. Their rich fields were turned into pastures. Taxes were unpaid and Rome fell into an abyss and carried a large part of civilization with it.

Surely if this process of deflation continues we must take warning lest a similar fate befall our country at the present time. Repeatedly during the last century we have been threatened with disaster from deflation; many cycles of depression have come, and usually they have gone when some fresh supply of gold has been discovered. The discovery of gold in South Africa or in California or in the Klondyke has usually arrested the downward trend and introduced a better standard of living, better prices and greater prosperity. That is what has happened time and again, whereas a shrinking of currency has resulted in lower prices and a lower standard of living.

Some figures were put on Hansard the other night by the hon. member for Macleod (Mr. Coote) showing that at the present time we have a great shrinkage in currency. Dominion notes in the last twelve years have shrunk from $320,000,000 to $161,000,000, and bank notes from $200,000,000 to $150,000,000, while bank loans have shrunk by $600,000,000. Deflation has resulted in a decrease in profits and an increase in fixed charges, and this has induced, first, caution and then fear and then the panic which we see at the present time.

In 1869, Senator Sherman of the United States, speaking on the effect of a contracting currency, said this:

> To every person except the capitalist out of debt and the salaried person—

I assume he means the person whose salary has not been cut.

> —it is a period of loss, lassitude of trade, the fall of wages, suspension of enterprise, bankruptcy and disaster.

Another book I have read recently points out that there are certain classes who suffer and suffer severely by deflation, and there is one class that suffers much less than others through this process. Deflation affects the active business man. If he is renting buildings his rent stays at about the same rate, whereas he finds that he has fewer sales, less cash and less in the way of profits. Deflation affects more particularly the primary producer, the producer of an exportable product, because of the lower prices which he receives for that product, and owing to the fact that interest and mortgages are stationary, his burden is relatively increased. Deflation is hard for labour because there is so much unemployment, and particularly hard for governments because budgets are unbalanced and the people are dissatisfied and discontented. Only the capitalist with vested interests may be fortunate enough to gain, if he has money invested and can secure the same rate of interest for it.

Other countries have faced difficulties such as confront us at the present time and have made attempts to stay the process of deflation. I find that as far back as 1790 inflation took place in France. At that time some 400,000,000 units of currency were issued, based on confiscated church property. There were some gainsayers even at that time, but

others could hardly contain themselves for joy when they anticipated the advantages of this action. The result of this particular effort was apparently quite successful. The treasury was relieved, a portion of the debt was paid, credit revived, trade increased and troubles seemed to vanish. It is quite possible that if the national authorities had stopped at that point no disaster would have ensued. No doubt they brought great relief to many of their citizens at that time. We read, of course, that later on they got into difficulties. The government was unwise enough to yield to temptation and followed the seductive path of unrestricted inflation.

Those who are so much afraid of inflation at the present time have in mind unrestricted inflation, whereas those who advocate some measure of inflation contemplate a controlled effort, not as a panacea for all our evils, but as something more desirable than drifting with the downward course of deflation without any effort at control. We are the custodians of all that has been gained and earned in the past, and surely with the experience before us of other nations and ages we should be able to act and still avoid the pitfalls which face those who carry on to fatal extremes. We know what the process of deflation has done to others, and we must guard our country and see that all that is modern in our civilization does not pass away. New Zealand, South Africa and other countries are keeping their currencies upon a suitable depreciated basis; why not Canada?

Hon. W. D. EULER (North Waterloo): Mr. Speaker, since the hon. member for Red Deer (Mr. Speakman) has made so convincing an argument that the Minister of Justice (Mr. Guthrie) on behalf of the government has consented to the appointment of a committee as requested in the resolution, it is probably a little out of place to attempt to discuss the merits or demerits of the question of debts and interest, and I may say to you, sir, that I do not intend to do so. The mere citation of the total amount of debts as being twelve billions of dollars, and the fact that governments, federal, provincial and municipal are obliged to pay some $700,000,000, annually in interest, presents an immediate argument for the consideration of this question, especially in view of the fact that it would seem to be impossible to continue to pay this interest. My principal reason in rising at this moment is not only to give my support to the resolution—this is not necessary since it is going to carry—but to deal for just a moment with another phase of the matter which has not been touched upon by my hon. friends from the west.

Quite naturally they have spoken of the difficulties of the western farmer—perhaps eastern farmers should be mentioned as well—but I have in mind a situation which is just as serious as that facing the farmer. If you look over the industrial towns and cities of the province of Ontario, cities like Windsor or Kitchener, you will find there literally thousands of men out of work. Two or three years ago these men owned their homes. They placed mortgages upon them, and they now find it not only impossible to pay the interest, but, like the farmer in the west, they are seeing the equities in their little homes absolutely wiped out. They are being left with nothing. Their difficulty is just as great as that being faced by any other class in the country. It seems to me that the trend must be in the direction of lower interest rates, especially so long as prices of commodities remain as they are at present.

It seems a solution which is offered apart from the preventing of future issues from bearing such high rates of interest, is what might be called repudiation. This is an action which none of us like to contemplate; countries pride themselves in carrying out their indebtedness, as do people, municipalities and provinces, but sometimes the necessity or, as the hon. member for Red Deer has said, the weal of the public generally requires remedies which otherwise would not be considered. I think it was about two years ago I made a suggestion to this house which, if hon. members paid any attention to it, rather shocked the house; I said that it might ultimately become necessary to have what might be called a capital levy. I also made another sugegstion along the lines of what may be considered by the committee to be appointed, I referred to the fact that the Jewish people in ages gone by had what they called a jubilee year every fifty years when all debts were wiped out. I commend that suggestion to the consideration of the committee. The suggestion is of course not really serious.

As has been stated, Australia has by process of legislation reduced the interest on her debts by something like twenty-two and one-half per cent. Great Britain has reduced the interest on some ten billions of dollars of securities from five per cent to three and a half per cent. I am inclined to think that the acceptance of the new bonds at the new rate of interest was not quite so voluntary as some of us might think.

I have really nothing more to say except that I do not quite agree with the Minister

of Justice when he stated that the hon. member for Red Deer had made no practical suggestions as to what might be done. I do not blame him for that; he has opened up the question and apparently he believes that in a multitude of counsellors there may be wisdom. I think he is quite right in leaving concrete proposals to the committee itself. I believe that the deliberations of this committee will serve the further purpose of bringing out information which will show the Canadian people the serious situation in which we are placed.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, before the hon. member for Red Deer (Mr. Speakman) closes the debate, I should like to say just one or two words. In the first place I congratulate the hon. member upon the temperate and judicial manner in which he has dealt with an admittedly very difficult and complicated question. It is not only a subject difficult in its perplexity, to use the hon. member's own word, and one which can be dealt with only after deep thought and careful study, it is a most important subject having regard to the possibilities of implication and repercussion in the character of the discussion itself. I need not elaborate upon this point of view except to say that for this reason I wish to pay tribute to the hon. member for his moderate method of approach.

The hon. member for North Waterloo (Mr. Euler) cited the case of Australia but I do not think that a parallel can be drawn between Australia and this country. In the first place the Australian debt was much larger in proportion to population than the debt of Canada. At this point let me say in parenthesis that I do not propose to discuss with the hon. member the accuracy of his figures with respect to the gross debt.

Mr. SPEAKMAN: They were taken from the bureau of statistics.

Mr. RHODES: They may be correct and I do not know that a discussion as to their magnitude is material. However, I do think that he has rather gone beyond the mark in the matter of the annual interest charge. We all agree that the debt is sufficiently onerous and constitutes a heavy burden; a real problem is created which has to be dealt with by this country as well as by every country in the world.

The Australian national credit has become impaired, so much so that their national bonds which had been sold in 1928 by the house of Morgan at ninety-two and a half, dropped within three years to a figure of thirty. In other words, they were selling in the open market at less than one-third of the issue price. The bonds of some of the Australian states went to even lower figures, and so they were confronted with a desperate situation which required rather drastic treatment. I would point out that despite the fact that they had a desperate situation with which to deal and in connection with which a drastic remedy had to be administered, they did not for one moment attempt to repudiate the principal sum of their national debt. All they attempted to do was to reduce the interest charges and that in the first instance was done voluntarily. A very substantial period of time was allowed to the people of Australia to convert on a basis which meant a reduction of some 22½ per cent in the interest charge. As a matter of fact voluntary conversion took place on the part of 91 per cent of the holders of the bonds. With respect to the remaining nine per cent, only three per cent refused to convert. It was assumed that the remaining six per cent were either indifferent or were prepared to convert. It was then that they stepped in by way of legislation to compel conversion on the part of the nine per cent or the three per cent, as the case might be.

Mr. MACKENZIE (Vancouver): Ninety-one per cent applied directly; six per cent applied by efflux of time, and three per cent refused.

Mr. RHODES: I am quite prepared to accept the figures given by the hon. member for Vancouver Centre (Mr. Mackenzie). That is substantially what I said or intended to say. But it must be noted that although Australia did by this method reduce interest charges to the extent of 22½ per cent, it did so only in the case of its own nationals; it made no attempt whatever to reduce interest charges as regards its obligations outside that country. In other words, it was free entirely of any suggestion of repudiation. A subject for the committee might very well be the collateral considerations which followed the reduction of interest in Australia, because they realized that the sacrifice must be general. So they abolished royalties which had been in existence for many years; they abolished or largely reduced bounties of a substantial character to the Australian wine industry; they reduced mother's allowances; they reduced very substantially the salaries of all civil servants, the reduction ranging from 15 to 20 per cent. A corresponding reduction was made in indemnities to members of parliament and to all officials of state. Old age pensions were

reduced in a like proportion. At the same time there were substantial increases in taxation. It might be well for the committee, when it considers this subject, to bear these collateral considerations in mind,

Mr. STEWART (Edmonton): What was the percentage of international as against domestic debt?

Mr. RHODES: I do not think I can give my hon. friend the figures at the moment, but I may say that the proportion of the Australian debt which was held externally was very substantial, because for a number of years prior to 1931, the average annual borrowings of Australia in outside countries aggregated £30,000,000.

Mr. MACKENZIE (Vancouver): The total amount was £556,000,000.

Mr. RHODES: A very substantial amount.

Mr. COOTE: Practically the same as their internal bonded indebtedness.

Mr. RHODES: About half and half. I am not for a moment suggesting that a reduction in interest charges is not desirable. Unquestionably it is, but it can make only a partial contribution towards that recovery to which we all turn our minds with such keen interest.

When the hon. member for Red Deer gave the illustration of the farmer who had placed on his farm a mortgage of $2,000 which, at the time it was made, represented a mortgage value of 2,000 bushels of wheat, whereas the same mortgage would to-day require for payment 8,000 bushels of wheat, I could not help thinking the remedy there would not lie even in a reduction of principal of our debt. The remedy there would lie in an increase in commodity prices. The singular point is that although economists, financial men and experts who have devoted their minds to the subject of economics disagree on every other subject, the one subject on which they are all in agreement is that the one thing desirable to bring about world recovery is an increase in commodity prices.

Mr. IRVINE: How is that to be brought about?

Mr. RHODES: How it is to be brought about is another matter entirely. The Minister of Justice (Mr. Guthrie), having in mind the constitutional aspect, indicated that there were some very real difficulties in the way of practical solution of this subject. The hon. member for Red Deer recognized that fact. I do not wish to stress the constitutional difficulties in the way; I merely indicate that fact as an added circumstance, showing that we have an additional difficult problem on our hands in dealing with the matter as compared with Australia, because in the latter country a few years ago the whole of the states' debts were taken over by the commonwealth and to-day there can be no increase in debt there except that authorized by a public body which has been set up under statute. To put ourselves in a position comparable to that of Australia we would have to take over all the debts of the provinces and they would thus thereafter lose their autonomy in the matter of raising additional sums by borrowing.

My hon. friend said quite properly: Nevertheless the dominion is in a position to give a lead. Let me assure the hon. member and the house that the government is sensible of the difficulty and the importance of this subject and has given it great consideration. Discussions have been had for a considerable period of time with responsible bodies throughout the country, including provinces, looking to some arrangement which would give a lead to the people at large in the matter of a reduction in interest charges. Further than that I would not at this stage wish to go lest my remarks might be given a wrong interpretation. I need only point out the fact that the government long since has recognized the desirability of reducing interest charges. As a matter of fact the conversion loan of two years ago was a step in that direction, and the magnitude of that operation at that time is not generally recognized in this country. There was converted then no less a sum than $638,600,000, or 60 per cent of the total bonds available for conversion, representing a conversion covering, in round figures, at least 25 per cent of our whole direct national obligation. The net result will be, when the full interest reduction comes into force in 1935-6, we shall have saved in interest annually no less a sum than $6,192,964.

Mr. MACKENZIE (Vancouver): What was the rate of interest?

Mr. RHODES: The conversion loan interest, as the house is well aware, was four and a half per cent as against rates of interest of five and five and a half per cent on the bonds. It is one thing to pass a pious resolution as to the desirability of reducing interest charges; it is quite another to bring about that reduction, especially bearing in mind that the man who owns the money is the arbiter as to the interest he will receive if he chooses to lend, because so far even in utopian society I do not know of any method whereby an individual can be compelled to lend money.

Only last year we tried an experiment in a mild way in Canada. We brought out a national loan and bearing in mind the insistent demand that had been made, not only by public bodies but in parliament and in the press that we should have lower interest rates, we properly took heed of those voices. We tried mildy to give the people of Canada an opportunity to respond to that call. As a matter of fact, for the first time in Canada we issued bonds bearing a four per cent coupon. It is true it was offered to the public at the rate of 93.45, and at a price which yielded four and one-half per cent. That issue was made to the public on October 31, 1932. I have in my hand information showing the yield to the investor in dominion securities, as they were sold in the open market on November 1 of last year. The highest yield to be found in the list before me on comparable issues is on the 1943 issue and that issue yielded to the investor on that day 4.68. The lowest yield on any dominion issue in that range on that day was 4.57. Yet, would you believe it, that ·07 per cent was sufficient to cause many individuals to refrain from purchasing our bonds yielding 4½ per cent when they could go to the open market and buy one yielding 4.57. That trend is shown in a most eloquent way by an analysis of the figures showing purchases of that issue of last year. The total number of those who purchased bonds in $500 denominations was 3,784. Their purchases totalled $2,693,000, or only 4.81 per cent of the total issue. Almost half of that issue or, to be exact, 47.32 per cent was purchased by large institutions. Those figures would show that the issue did not meet with popular response. It may be that the government should have made a greater effort by way of publicity although I must say that at the time we inaugurated that campaign we were criticized because we called to our assistance, by means of radio hookup, the premiers of the various provinces. It would seem therefore that we get criticism both ways.

Mr. EULER: I would have suggested smaller denominations.

Mr. RHODES: My hon. friend suggests smaller denominations, and in reply I would say that that subject received very careful consideration. An analysis of the response by those subscribing in amounts from $100 to $200 in earlier bond issues reveals that the aggregate sum subscribed by those small purchasers is very small indeed, and represents but a small fraction of each issue. It was the opinion of those identified with bond circulation that it was desirable to keep the cost of flotation and servicing to the lowest possible point. I may say that the cost of servicing coupons on smaller issues is out of all proportion to the amount of money received. It is true that after weighing the arguments one might conclude that it would be highly desirable to have distribution as wide as possible. It may be that we erred in not having smaller denominations in the last issue. In connection with a future issue, which will be larger, I have no doubt there will be an opportunity for the purchasers of small amounts to subscribe. Our reason for not issuing in smaller denominations was, in part, as I have indicated, but more largely by reason of the fact that it was only a small issue, and it was only in connection with larger issues covering longer periods of time that we felt we would be justified in issuing the smaller denominations.

I do not know that there is anything further I should say at this time. I should like to assure my hon. friend from Red Deer (Mr. Speakman) and the house, that the government is entirely in sympathy with the main object of the resolution. Any assistance we can render will be gladly given. We will co-operate in every possible way, and while I believe that the committee will face a very heavy task, and while I am fearful as to the results of its practical conclusions, I do know that it will embark upon its work with our blessing. May I go just a little farther than my colleague the Minister of Justice. As to the question whether the matter should be referred to the banking and commerce committee instead of to a special committee, I suggest my hon. friend would do well to amend his resolution so as to refer this subject specifically to the banking and commerce committee, a body set up deliberately for the purpose of settling matters of this kind. I believe that committee would give the subject as good if indeed not better consideration as a special committee, unless that special committee were composed of members of the banking and commerce committee. In that event there would be no object in not using the standing committee.

Mr. G. G. COOTE (Macleod): Mr. Speaker, the subject matter of this resolution has been dealt with very fully by the hon. member for Red Deer (Mr. Speakman), and in the few moments at my disposal I shall try not to traverse the ground that he has covered. First of all I should like to congratulate the hon. member upon his presentation, and upon his success in obtaining the consent of the government to have the matter referred to the banking and commerce committee.

Further, I should like to congratulate him upon having convinced for the first time, some of the members of the government of the seriousness of the debt situation in Canada. I feel like congratulating both ministers who spoke this afternoon upon the very fair attitude they adopted, and particularly the Minister of Justice (Mr. Guthrie) upon his frank discussion of the matter.

Let me at the outset refer to a statement of the Minister of Justice (Mr. Guthrie) to the effect that many people believe it would be a highly desirable state of affairs if we had no debts at all. No doubt that would be a very happy condition, but I am bound to point out that under the present system if we had no debts there would be no place for the people to invest their savings. The savings of the Canadian people are invested in the debts of others, and that is why the debt question is so important. At least ninety-five per cent of our money is based on debts. Ninety-five per cent of our money is credit, and for every credit there is a debit; in other words, for every credit there is a debt, and for every creditor there is a debtor. Unless the debtor can meet his principal and interest, the creditor must suffer. At the present time the debtor in many cases cannot pay his interest, and the creditor if he can collect his interest is in a much better position than he expected to be when he extended the credit, due to the increased purchasing power of money. The payment of debts presupposes a stable price level, because the producer repays his debt by selling the goods he has produced, or by selling the proceeds of his labour. At least in so far as the control of money affects price levels, we should have a stable price level. For three years there have been falling price levels caused by the deflation of money, and it is because of that the debt situation has become so serious. In many cases the interest on mortgages bearing eight per cent has not been paid for a period of three years, and to my personal knowledge agents of mortgage companies are visiting farmers, asking them to sign new mortgages adding the three years' arrears of interest to the amount of the original mortgage, which would have the effect of increasing the mortgage by twenty-five per cent. Such a condition will render it impossible for many farmers to continue. I know that many members of the house say—and the Minister of Finance (Mr. Rhodes) hinted at it this afternoon—that the jurisdiction relating to interest on existing obligations is in the provinces rather than in the dominion. But the dominion cannot escape responsibility in the matter, because the Dominion government has control of the whole money and credit system, and it is at least largely because of the deflation which has taken place in our money system that we are faced to-day with this terrible debt situation. I am sure that if this government had had control of property and civil rights the pressure upon the government to do something in regard to the rate of interest and price levels would have been so strong that long before this they would have adopted some different money policy. Despite the present determination of most of our people to pay their debts at 100 cents on the dollar in the actual terms in which those debts were expressed, our producers and citizens generally, the house owners referred to by the hon. member for North Waterloo (Mr. Euler), and many of our municipalities and school districts, will find it utterly impossible to pay the interest and principal in the terms of the bond or mortgage. It is simply an impossibility at present price levels.



May I offer one or two suggestions as to the lines the committee might very well follow in their investigation. I should like to point out to them an arrangement which recently has been put into effect by the Imperial Oil Company. I quote from the Farm and Ranch Review of January, covering the point very briefly:

> An announcement is made in this issue by the Imperial Oil Company to the effect that all interest charges on debts owed them by farmers for products supplied in 1929 and 1930 will be cancelled up to October, 1933, and after that the rate will be only four per cent. The principal will also be placed on a five year basis of payment. This is a step in the right direction, and a useful lead to other large companies carrying rural accounts. Such intelligent action by large creditors will go far towards saving the western situation.

I wish to refer briefly to the action taken in Australia as a result of what was called the premiers' conference, at which the commonwealth and all the state governments were represented, and agreed to by the representatives of all the states at the conference. At some of the meetings of the conference the leader of the opposition for the commonwealth was present, and some of the measures, perhaps all of them, had his approval. That is something that might very well be considered in Canada. Before this question is settled it may be necessary to have in Canada a conference corresponding to the premiers' conference in Australia. It took place in the summer of 1931. I endeavoured to secure from the library a book giving an account of the conference from which I might quote briefly, but as the book happened to be out

I could not have it to-day. Briefly, however, the premiers' conference in Australia agreed to take action to reduce the rate of interest on all Australia's internal bonds and indebtedness. The amount converted, at a reduction of 22½ per cent of the existing rate, was £557,000,000. The annual saving to the government amounted to £6,500,000 or $30,000,000. I commend this course to the Minister of Finance, who I think, has paid some pretty high costs on Canadian bond issues—this conversion of £557,000,000 was effected at a total cost of £50,000. The statements I have made in this respect will be found reported in the Hansard of the commonwealth parliament of October 13, 1931, in the speech made by the treasurer of the commonwealth. I will not go into all the reasons given for floating the loan, but the commonwealth treasurer points out that the reason for the success of the conversion was that the bulk of the holders of Australia's internal bonds believed it was in their own interests as well as in the interests of the state that they should accept the lower rate.

At this conference it was also agreed that the rate of interest on all mortgages and agreements of sale and private debts should be reduced by 22½ per cent of the existing rate, and legislation to that effect was passed by all the state governments. There was a reduction of one per cent in the interest rate on all bank loans and all bank deposits. That was agreed to by the banks. From what I have read, the banks stated that they would rather make a voluntary offer to do that than have legislation passed to bring it about. Perhaps I should add that in the case of the internal loan, ninety-seven per cent, was converted voluntarily, and legislation was then passed providing for compulsory conversion of the other three per cent.

Since this conversion was effected the state of New South Wales was able a few months ago to float 3½ per cent bonds in London at a price representing a four per cent return to the buyers. That shows that the standing of Australian bonds in foreign markets has improved since Australia took this action. One other reason must of course be given: that because of the depreciation of Australian currency in the gold countries, the commodity price level in Australia has risen to a point where business conditions have very materially improved. Australia has been able to increase her exports, and is therefore in a much better position to meet her external obligations. As a result of the external depreciation which has taken place in Australian currency there has been an increase in the price of commodities in that country to a point where 1,000 bushels of wheat will pay twice as much debt of the Australian farmer as 1,000 bushels will pay in Canada for the Canadian farmer. The Australian farmer has also had the interest on his mortgage or agreement of sale reduced by 22½ per cent. One of my friends tells me I might suggest to the Minister of Finance that that is the way to raise commodity price levels in Canada—make the pound worth as much here as in Australia. I do not think we would then have to spend so much time in a discussion of this question of the reduction of interest on debts.

Mr. YOUNG: Would that be tying our dollar to the pound?

Mr. COOTE: No; it would be placing our dollar at its proper level, much nearer the proper level in gold countries than it is to-day. I think there is a great deal of misconception about the value of our dollar, about its being down so much; it is really the value of gold which has jumped around in the last three years, more than the value of sterling and the Canadian dollar. Canada, in her desperate attempt to keep up with gold, has deflated her currency much more than Australia, New Zealand and other countries that we are attempting to compete with. The result is that price levels are much lower in Canada than in nearly all those countries, and therefore the problem of debt is much more acute.

I support this resolution because so far I have been unable to interest the government in the question of raising the Canadian price level. Two years ago I said in this house that Canada should abandon the gold standard and allow her dollar to depreciate in foreign countries so as to raise commodity price levels in Canada. Had that been done, farmers and other producers in Canada, as well as working people, would not have been so terribly indebted to-day but would have been able to keep up their interest. There is no doubt in my mind that the bulk of our farmers could under such circumstances have kept up their interest payments. However, the government did not see fit to give much consideration to my proposal, so that deflation has continued while commodity prices have fallen steadily and debts and interest have continued to pile up. It was pointed out by the Minister of Trade and Commerce (Mr. Stevens), in the splendid speech which he made last year, that interest rates of eight, nine and ten per cent could not be paid at present price levels. The prices of agricultural products are so low that the farmers have no ability to pay interest at any rate

to-day. There are therefore only two alternatives: either find a way of doing what is suggested in this resolution, or we must raise commodity price levels. I would say that at the present time we must do both, because debts have continued to pile up on us until they have reached that point where in many cases we cannot take care of past indebtedness.

As suggested by the Minister of Finance, I am going to move, seconded by the hon. member for Peace River (Mr. Kennedy), that the resolution be amended by striking out the words "a special committee of this house" and substituting therefor the words "the select standing committee on banking and commerce." If that is accepted by the house, I am sure it will be acceptable to the hon. member for Red Deer and a great many others of us, and I hope that when it is taken up it will receive very serious consideration and that we shall get from the committee some definite recommendation which will lead to a solution of this problem, one of the most important and most pressing in Canada to-day.

Amendment agreed to.

Mr. ALFRED SPEAKMAN (Red Deer): I have no intention of prolonging the debate, but I do wish to express my appreciation of the reception which this resolution has met throughout the house and particularly, may I say, on the part of the government as voiced by the Minister of Justice and the Minister of Finance. I have succeeded up to the limit of my most optimistic expectations for the time being.

I am perfectly prepared to accept the amendment, and that the matter be referred to the committee on banking and commerce, my sole purpose being to have the subject brought before a representative body of the house for the most careful investigation and study and in the hope that some results may accrue. I think there is no question that throughout the country a certain measure of relief and appreciation will be felt on the part of debtors, who form such an overwhelming majority of the population, at this evidence that their plight and this problem have been recognized by the house and the government, and that the house is at least taking the first necessary step towards studying and, if possible, meeting the situation.

It is unnecessary for me to say more, save to reply to one or two suggestions or inferences on the part of the Minister of Justice (Mr. Guthrie) and the Minister of Finance (Mr. Rhodes). The Minister of Justice was not exactly critical, although he seemed rather disappointed; that I did not make, nor did I propose to make, any definite suggestion either as to the extent of the reduction which might be undertaken or as to the method which might be followed. I purposely refrained from this for the reason suggested by the Minister of Finance himself, that I felt it would be arrogating to myself more knowledge than I possess were I to assume that I had solved the problem in my own mind and that therefore it was unnecessary for other people to give any consideration to the problem. I think it is infinitely better for the committee itself, with all the means at its disposal, and all the evidence that will be adduced, to arrive at a solution. It would be far better to have a solution which was sound and businesslike, a practical solution, than one which would be more or less theoretical.

I also refrained from discussing any other aspects of the situation. The Minister of Finance rightly suggested that perhaps a better method would be to raise price levels. I agree, but the minister will recognize that they are two separate questions, although dealing somewhat with the same problem and having the same result in mind. From my experience I have found that the less involved you make a proposition the better its chances are for possible success in the house. If you segregate it from all other suggestions you are likely to find that support which would be lacking if you linked up the question with some other point of view which might not be so acceptable. While, therefore, I should have been glad to discuss inflation, depreciation and all the various aspects of the problem, I felt it was wise to refrain from such discussion at this time.

I can only again express my appreciation of the support given and interest taken throughout the house, and my most sincere hope that the labour of the committee will not be wasted but that it will get to work promptly, taking its duties seriously, and that something worth while for the country will result.

Resolution as amended agreed to.

## A CANADIAN FLAG

PROPOSAL FOR ADOPTION OF FLAG SYMBOLIC OF CANADA AND HER PARTNERSHIP IN BRITISH EMPIRE

Mr. CAMERON R. McINTOSH (North Battleford) moved:

That, in the opinion of this house, a special committee be appointed for the purpose of considering the advisability of adopting a Canadian flag, representing Canada as a whole

and in which the British flag shall occupy the position of honour, thus symbolizing the dominion as an equality partner in the commonwealth of British nations.

He said: I am not moving the resolution to-day, Mr. Speaker; I am making a brief statement—

Mr. STEVENS: I did not quite understand what my hon. friend said. The resolution has been called, and surely if he now proceeds he is discussing it.

Mr. McINTOSH: Very well. The resolution standing on the order paper in my name, with reference to a distinctive flag for Canada, and requesting a special committee of the house to investigate and report upon the question, is a resolution which in scope and substance is essentially the same as the one which was before the house two years ago. In my humble opinion, and I am quite satisfied in the opinion of growing thousands of red-blooded Canadians throughout Canada, this resolution occupies fundamental ground and affords an historic basis for the discussion of a distinctive flag for Canada. When endorsed by the members of this house, the resolution will result forthwith in a preliminary satisfactory solution of an heraldic problem which is becoming more important nationally and imperially every day. May I remind hon. members that two years ago a similar motion was brought before this house. If I remember correctly, when I rose to speak in moving the resolution it was about a quarter after five o'clock and after I had finished speaking the Prime Minister (Mr. Bennett) abruptly adjourned the house. The discussion at that time took place upon Empire day, a very noteworthy day in our national and imperial history. The resolution then found its way into public bills and orders and did not come up for further discussion during that session. Because the discussion at that time had been very brief and no vote had been taken, I made up my mind that I would again put this resolution—a similar one—upon the order paper.

However, there is another reason for placing this resolution again upon the order paper. If hon. members will allow their minds to go back to July and August of last year, they will recall the imperial conference and also the fact that Canada, the oldest self-governing dominion of the crown, was the only nation represented at that conference without a distinctive flag. Australia had her flag, New Zealand had hers, as also had South Africa; every self-governing dominion of the commonwealth of British nations, with the exception of Canada, had a distinctive flag—a flag symbolic of its national life. The comments of prominent Canadians as well as the lively discussion in the weekly and daily press of the country at the time showed the great interest there was in the question of a national emblem, in the manner in which Canada had been placed in a ridiculous "equality of status" position during an imperial conference held in the capital city of our dominion. Everywhere there was a sentiment remedial action should be taken.

Further, may I say that during last October and November no private members' resolutions or bills came before the house, which explains why this resolution is now before us. Were conditions normal throughout Canada, were we in the same position to-day financially and otherwise as we were in 1928 or 1929, I would certainly press this resolution in order to have a complete debate upon it and place every hon. member on record as being for or against. Because of the anything but normal conditions now prevailing throughout Canada, because of the unemployment rampant throughout the land, because of the interest charges which are bearing so heavily on our people, because of the avalanche of debts which are facing Canadians from ocean to ocean, because of the economic and industrial problems which face this country, because much time must be taken up in the consideration of all these matters, I am going to ask that the house postpone its consideration of this resolution. The fact that many Canadians are without food, clothing and shelter causes me to withhold this resolution until some future occasion when it may be discussed under more auspicious conditions, thus helping rather than perhaps hurting a cause so near and dear to all Canadians strong in their national and empire zeal and faith. When this time rolls around I hope parliament will come to a flag conclusion that will redound to the welfare of this country.

What we desire is a distinctive flag for Canada, a distinctive flag for Canada's life, a distinctive flag to symbolize Canada's soul, a flag to tell of the Canada spoken of in the words:

> Life's the force divine that makes us differ from the states effete—
> Be it ours to catch its image as it speeds with twinkling feet.

When that time comes—and it cannot come too soon—I hope every hon. member will give this question the unerring attention it deserves. May I hope every representative will catch a glimpse of the greater and more glorious Canada to be, and make sure such a Canada is emblazoned in figures clear and plain. And when this important occasion

arises I hope every hon. member will not be afraid to discuss this matter as any courageous Canadian ought to discuss it. Should that be done and should a committee be appointed to deal with the question, I feel sure that its report will be unanimous in favour of having a distinctive flag for Canada.

Mr. POULIOT: I congratulate the hon. member upon his excellent speech, but would direct his attention to the fact that because of the conditions now prevailing in Canada, our flag should be at half-mast.

Mr. SPEAKER: Am I correct in understanding that the hon. member wishes to withdraw his resolution?

Mr. McINTOSH: Yes.

Mr. SPEAKER: By consent of the house, the resolution is withdrawn.

Motion withdrawn.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

### TARIFF BOARD

ANNOUNCEMENT OF APPOINTMENT AND PERSONNEL —ORDER IN COUNCIL TABLED

Right Hon. Sir GEORGE PERLEY (Argenteuil): At the request of the Prime Minister (Mr. Bennett) I wish to inform the house that His Excellency has been pleased to approve the appointment of the three members of the Tariff Board:

The Hon. George Herbert Sedgewick, a justice of the High Court of Justice of Ontario, Toronto, Ontario, chairman.
Milton Neil Campbell, Esquire, M.P., Pelly, Saskatchewan, vice-chairman.
Charles Hebert, Esquire, B.A., of the city of Montreal, P.Q., wholesale grocer.

I ask permission to lay a copy of the order in council on the table.

### "KINGDOM OF CANADA"

PROPOSAL THAT OFFICIAL NAME BE CHANGED FROM "DOMINION OF CANADA" TO "KINGDOM OF CANADA"

Mr. ARMAND R. LAVERGNE (Montmagny) moved:

That in view of the statute of Westminster, the traditions of the Canadian people, and the constitution of the country, this house is of the opinion that the name of Canada should be changed from that of "The Dominion of Canada" to that of "Kingdom of Canada."

He said: Mr. Speaker, the resolution which stands in my name has been on the order paper for the last two years and I feel I must apologize to the house for bringing it up only to-night. The first year I was prevented by the rules of procedure and also by some more pressing business, from bringing it up. Last year I was delayed by private circumstances in coming to the house, and I bring it up to-night on its first call so that I may not lose the opportunity of presenting it.

By the Statute of Westminster we have become a nation, equal in partnership, of the commonwealth of the British Empire; we have ceased to be a dominion in order to become an independent nation under the sovereignty of the King of Great Britain, Ireland and the dominion beyond the seas. Having outgrown the status of a dominion, according to our constitution, we are certainly not a republic—and may I add, I thank God we are not—we are a country which is under the sovereignty of King George V and his successors. This country since the Treaty of France in 1763 has become one of the jewels, may I say, of the British crown. Having outgrown the status of a colony, not being a republic, we are, according to our constitution, according to history, according to facts, a country which is under the monarchical system, which has at its head a king or monarch and which is legislated for by him through a parliament, comprising the Senate, which takes the place of the House of Lords in England, and our House of Commons. Having ceased to be a dominion, having ceased to be a colony, not being a republic, we are therefore in our constitution a kingdom, and I claim that it is high time we should come back to the thought of the fathers of confederation and give to our country as its official name that of Kingdom of Canada.

In 1864, at the conference of Quebec, it was decided by the fathers of confederation that the new British-American state which was being created on the North American continent should be a kingdom. It was so officially styled in a draft which was submitted to the House of Commons in Great Britain. History tells us that the British House of Commons, or the minister for the colonies of the time, to please our republican friends to the south, decided to change the name to "Dominion of Canada" instead of "Kingdom of Canada," as was desired by Macdonald, Cartier, Galt and all the other fathers of confederation. In my opinion this was a mistake. It was unfortunate, but at the same time there was not only the fear of the republican sentiment of our neighbours to the south, but also the fear of displeasing, as making for independence the

rabid imperialists who then lived in Canada. It was stated at the time that an independent or another kingdom under the British crown could not exist, as such a course would be contrary to logic, the fact being forgotten that for a long time the king of Great Britain had been King of Great Britain and, before the union of 1603, King of Great Britain and Scotland; King of Great Britain and Ireland; King of Great Britain, Ireland and France; King of Great Britain, Ireland, France and Hanover, until the Salic law prevented Queen Victoria from becoming Queen of Hanover. We have seen the joint kingdom of Sweden and Norway. Perhaps the house will permit me to refer to a letter written by Sir John A. Macdonald to Lord Knutsford on July 18, 1889, in which he says:

The union was treated by them—

That is, the House of Commons and House of Lords in Great Britain.

—as if the British North America Act were a private bill uniting two or three English parishes. Had a different course been pursued —for instance, had united Canada been declared to be an auxiliary kingdom, as it was in the Canadian draft of the bill—I feel sure (almost) that the Australian colonies would, ere this, have been applying to be placed in the same rank as "the Kingdom of Canada."

And he added a postscript:

On reading the above over, I see that it will convey the impression that the change of title from Kingdom to Dominion was caused by the Duke of Buckingham.

The Duke of Buckingham at the time was Minister for the Colonies.

This is not so. It was made at the instance of Lord Derby, then Foreign Minister, who feared the first name would wound the sensibilities of the Yankees. I mentioned this to Lord Beaconsfield at Hughenden in 1878, who replied: "I was not aware of the circumstance, but it is so like Derby, a very good fellow but one who lives in a region of perpetual funk."

Therefore, if our country in 1867 was not called the Kingdom of Canada, it was for those two reasons which seem antagonistic but which we often find in combination in our history—the rabid imperialists on one side and those who have, to use the words of Lord Beaconsfield, "a funk" of the Yankees.

Since by the Statute of Westminster we have acquired a status of equal partnership, it is high time that we should recognize our independence, our real status of equality, the system which administers our country, and that, having ceased to be a dominion, we should be called the Kingdom of Canada. By taking this course, we should at the same time do away with the title of the governor general; we are governing ourselves and it would follow logically that the governor general who represents in this country the King of Great Britain and of Canada, should be a viceroy. If this house will look into the history of the resolution passed by the conference of 1864 it will find that the fathers of confederation intended to have as the chief executive in Canada the King of England or as a representative one of the members of the royal family.

I have given the reasons for the resolution and have outlined the historical facts. There is one other point upon which I should like to be perfectly frank. In this twentieth century, particularly since the great war, we have seen thrones crumbling and frenzied democracy asserting itself. I speak on behalf of a race which has had only one motto since it has been known as the French race,—God and the king. I feel that a voice should come from the true American continent asserting the undoubted benefits of the monarchical system, recognizing at the same time the proud state which our country has attained. I feel that we should no longer be a dominion, no longer a crown colony or one administered by the Governor General, but a free nation in the British commonwealth known as the Kingdom of Canada under the sovereignty of the King of Great Britain, Canada, Ireland and the other kingdoms of the empire.

Mr. SPEAKER: Before further discussion takes place I should like to call the attention of the hon. member moving the resolution to the fact that he indicated the hon. member for Bellechasse (Mr. Boulanger) would second the motion. As the hon. member for Bellechasse has not been in his place to-day I feel called upon to ask the hon. member for Montmagny to name someone else.

Mr. LAVERGNE: I do not know whether I need a seconder, but if it is necessary I hope someone will second it.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): I am supporting it.

Mr. SPEAKER: I understand the hon. member seconds it.

Mr. POULIOT: Yes, I second it. It is my pleasure to agree this time with the hon. member for Montmagny (Mr. LaVergne), a man who is a true patriot. Although I do not always agree with him there are occasions when one is glad to do so. As my good friend from Bellechasse (Mr. Boulanger) is not here to-night, I willingly second the motion.

There is one particular phase of the remarks of the hon. member for Montmagny which seems worthy of further comment, namely his reference to the viceroy. The old French

governors were known not only as governors but as viceroys, and at the present time if we adopt the suggestion of the hon. member opposite we would be reverting to traditional practice. May I make reference to those words appearing on the arms of the royal family, "God and my right." I have the greatest respect for the royal family, and I much admire the fact that they have emblazoned on their coat of arms the French expression "Dieu et mon Droit." To those who would be inclined to oppose a suggestion such as the present one, or that involved in the use of both languages on our currency, I would call attention to the fact that down through the centuries the royal family have chosen to have inscribed on their coat of arms the French words "Dieu et mon droit" and "Honi soit qui mal y pense."

I am pleased to support the remarks of the hon. member concerning the viceroy, but in closing should like to add one sentence in French. Although the speech of the hon. member for Montmagny was to the point and was most excellent, (Translation): we admit that all cannot understand why we should call Canada "a kingdom" since (text) il "empire" tout le temps.

Mr. J. H. STITT (Selkirk): Mr. Speaker, before this resolution comes to a vote, and as there appears to be a dearth of speakers on a motion of such importance as this one which concerns our country's name, I should like to say a few words extempore in praise of the name of our country, the Dominion of Canada. Probably it will be easier for me to make these remarks than certain other hon. members—and I say this without intention of offence—because an hon. member might ordinarily be censured for what might appear to be disloyalty if he ventured to speak against a motion of this kind. I imagine, however, that a man who bore arms in support of his country and of his king is not liable to that criticism.

Some years ago, if my memory serves me correctly, I wondered just how the Dominion of Canada acquired its name. I learned that while the fathers of confederation were debating what name they should give our country one of the fathers whose habit it was to read the scriptures before retiring happened to read one of the psalms, the following verse of which struck his imagination: "He shall have dominion also from sea to sea and from the river unto the ends of the earth." It was because of that biblical expression, Mr. Speaker, that the Dominion of Canada was named. Against the resolution of my hon. friend, the Deputy Speaker, I urge that the sacred and historic character of our nature is enshrined in the word "dominion" more than it ever can be in the word "kingdom." There is perhaps another reason. Since the Statute of Westminster, and even before that date, the self-governing units of the empire have been referred to as the self-governing dominions. And I believe they have been so called, because that word has been used to denote not only our connection with the empire but our autonomy. That is another reason why we should continue to adhere to and hold dear the name "Dominion of Canada."

I did not expect that this resolution would come before the house this evening. I rather feel that on a matter of this kind, which is perhaps one of high policy, one on which many hon. members of this house would want to take time to deliberate, it would perhaps be in order if I moved the adjournment of the debate, and I do so move, seconded by the hon. member for Nelson (Mr. B. M. Stitt).

Motion agreed to and debate adjourned.

## INCOME TAX

INTEREST ON BEARER BONDS—PROPOSED COLLECTION BY DEDUCTION OF TAX ON PAYMENT OF COUPONS

Mr. A. E. MUNN (North Vancouver) moved:

Whereas the question of securing proper returns from taxpayers so that no revenue properly taxable is to escape taxation becomes of utmost importance, especially in times of decreasing revenues such as at present;

Whereas the securing of revenue from these sources is difficult inasmuch as bonds to the extent of hundreds of millions of dollars have been issued by the dominion and provincial governments as well as industrial companies, power and public utilities companies, the majority of these being bearer bonds transferable by delivery pass from hand to hand without any available record as to who holds them at any particular time.

Therefore be it resolved, that, in the opinion of this house, legislation should be introduced providing that banks, trust companies and other agents in making payment of interest coupons on bearer bonds shall deduct from the amount of each coupon the tax returnable to the federal or provincial governments interested and be responsible for the deposit of the same in the federal or provincial treasury.

He said: The resolution, as I see it, speaks for itself. I am not offering any criticism; I am offering what I consider a practical suggestion that will in my opinion result in the return to the federal and provincial exchequers of large amounts of taxes that have been missed. The honest man, of course, will make his return, but unfortunately we have others, and there is the danger that we are losing a lot of money in this way. It would be a very

simple matter, in my opinion, to tighten up the regulations or introduce some new system so that there would be no possible chance of the treasury losing taxes due from those who are well able to pay.

One thing we must bear in mind; we must take care of the small investors, those whose revenue is exempt. If this tax is collected at the source and the small investor is compelled to pay it, then there would have to be some way of rebating it to those who come under the exemption.

I think this resolution should have the unanimous support of the house.

Hon. E. N. RHODES (Minister of Finance): With the principle of this resolution the government is in entire accord; we have complete sympathy with the object sought to be attained. We have no hesitancy in accepting the resolution, although I may point out that while accepting the principle in its entirety there may have to be some variation from the procedure outlined. This resolution provides that the tax shall be deducted when the individual coupon is cashed. In numerous instances such bonds are in the hands of small holders by whom there is no tax payable, and to make the deduction at the source would involve such individuals in hardships and delay waiting for the cumbersome machinery of government to move before receiving their rebate, which in the nature of things might have to be many weeks or perhaps months. A better method, one which I think can be equally effective, is that of keeping absolute check upon the cashing of each individual coupon; then as it is disclosed that the coupon in question ought to bear a tax, the assessment can be made and the money returned to the treasury. This method would not only avoid the necessity of making refunds but would also save a large sum in accounting costs, and inconvenience to the treasury.

As I have already intimated to the house, before this session closes a measure will be brought down which I think will completely and effectively carry out the object of this resolution.

Motion agreed to.

## REDISTRIBUTION

### PROPOSED BASIS ON UNIT OF POPULATION OF PROVINCE OF ONTARIO

Mr. J. A. BARRETTE (Berthier-Maskinongé) (Translation) moved:

Whereas this house will soon be called upon to effect a redistribution of electoral ridings in the various provinces constituting the Canadian confederation;

Whereas; the number of electoral ridings in each province other than the province of Quebec is based on the population unit of this latter province; and,

Whereas; the parliamentary representation of the province of Quebec with a population of 2,874,255 comprises 65 members, or a quotient of 44,219 per unit of representation; and,

Whereas; the parliamentary representation of the province of Ontario now comprises 82 members, with a population of 41,849 per unit of representation; and,

Whereas; notwithstanding the fact the population of the province of Ontario shows an increase in numbers but a decrease proportionally to the increase in the population of the province of Quebec, the latter province taking as a basis the unit of representation of the province of Ontario would be entitled to 69 members, New Brunswick 12, Manitoba 17, Saskatchewan 22, Alberta, 18, British Columbia 17;

Therefore be it resolved, that, in the opinion of this house, in order to promote harmony among the Canadian people, the parliament of Canada do grant to the provinces a just and equitable representation based on the unit of representation of the province of Ontario.

Mr. Speaker, the resolution which the house is called upon to consider tends to do justice to the provinces which have not their fair quota of representatives in this parliament. I am broaching a rather ticklish question. It should give rise to quite an important debate in the house, as all hon. members are interested in rightly representing their province and exacting the largest representation possible so as to assert their rights. The purport of this resolution is to prove to the house that the province of Quebec has not, at present, the quota of representation to which it is entitled according to the last census.

Ever since confederation, the representation of each province has been based upon the representation of the province of Quebec. Each had the number of members to which it was entitled taking as a unit the population represented by each of the sixty-five members of Quebec, the decennial census was to be the basis of reckoning.

According to the last census, the province of Ontario should be deprived of four seats, if Quebec is taken as the unit of representation, but if Ontario retains its eighty-two seats, Quebec should be given sixty-nine instead of sixty-five, if we wish to place Quebec on the same footing as Ontario. In claiming these eighty-two seats. Ontario bases its contention on section 51, subsection 4 of the British North America Act, which reads as follows:

On any readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then

last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth part or upwards.

That is equivalent to a loss of 5 per cent in the ratio of its population.

The number of members of the House of Commons may be from time to time increased by the parliament of Canada, provided the proportionate representation of the provinces prescribed by this act is not thereby disturbed.

It is with reference to this article that I shall base my contention that Quebec be given sixty-nine members and that the other provinces be given the representation in the same ratio. I shall point out to the hon. Minister of Trade and Commerce (Mr. Stevens) that, were he to accept my resolution, his province would be given three more members, Alberta, which is represented in the house by the right hon. Prime Minister (Mr. Bennett), would have two more members, and Saskatchewan one more. Would any one oppose this resolution simply because Quebec would be entitled to four more representatives? I do not think that this would be a good reason for rejecting the resolution which I have the honour to submit to the consideration of the house.

When confederation was decided upon, this case was particularly dealt with by the fathers of confederation and a long debate ensued on this point, Sir Henri Joly de Lotbinierè had foreseen the situation which presents itself to-day. If you will permit me, I shall read to the house an excerpt of the discussion which then took place. In the Hansard of 1865, at pages 359 and 360, you will note, sir, that the Fathers of Confederation attached great importance to this question.

The following are the clauses of the resolution of the Quebec Conference which settles the organization of the House of Commons, especially as regards the number of representatives:

17. The basis of representation in the House of Commons shall be population, as determined by the official census every ten years, and the number of members at first shall be 194, distributed as follows:

Upper Canada, 82.
Lower Canada, 65.
Nova Scotia, 19.
New Brunswick, 15.
Newfoundland, 8.
Prince Edward Island, 5.

18. Until the official census of 1871 has been made up, there shall be no change in the number of representatives from the several sections.

19. Immediately after the completion of the census of 1871, and immediately after every decennial census thereafter, the representation from each section in the House of Commons shall be readjusted on the basis of population.

20. For the purpose of such readjustment, Lower Canada shall always be assigned 65 members, and each of the other sections shall at each readjustment receive, for the ten years then next succeeding, the number of members to which it will be entitled on the same ratio of representation to population as Lower Canada will enjoy according to the census last taken by having sixty-five members.

21. No reduction shall be made in the number of members returned by any section, unless its population shall have decreased, relatively to the population of the whole union, to the extent of five per centum.

22. In computing at each decennial period the number of members to which each section is entitled, no fractional parts shall be considered, unless when exceeding one-half the number entitling to a member, in which case a member shall be given for each such fractional part.

I object, says "Sir Henri Joly de Lotbinière" to the 21st clause, because it contains provisions which are unjust to Lower Canada. The full scope of that clause is not generally understood; that proportion of five per cent appears to be a very small affair, and yet, under certain circumstances, it might produce considerable results, which are not taken into consideration in the explanations given on that subject in the work written by the Hon. Mr. Cauchon, which the government has caused to be distributed (pages 72 to 87). It is difficult to foretell what the exact numerical increase of the several provinces will be from the present time to the next census in 1871. The Hon. Mr. Cauchon assumes, as the basis of his calculations, a rate of thirty per cent. Let us suppose the case to prove that in all the provinces (with the exception of Lower Canada) the population increases by thirty per cent between 1861 and 1871, and that of Lower Canada increases by thirty-four per cent. It may, perhaps, be objected to this that it is improbable. My reply is, that when we are discussing a scheme of such importance as that which is now under our consideration, we should provide for all possible contingencies; but this one is far from being impossible if the predictions of the Minister of Finance and the Attorney General, who promise to Lower Canada so brilliant a future under the federal system, are fulfilled. If Lower Canada become the heart of the commercial life; if the mines of copper, lead, silver, and gold which we have lately discovered should produce the same results that they produce everywhere else, that of attracting a great influx of population, I cannot be accused of any great exaggeration in supposing that the population of Lower Canada may, between the years 1861 and 1871, increase by four per cent more than the population of the other provinces. In the case which I have supposed the increase would be as follows:—

| | |
|---|---|
| Upper Canada.. .. .. .. .. .. .. | 418,827 |
| Lower Canada.. .. .. .. .. .. .. | 377,625 |
| Nova Scotia.. .. .. .. .. .. .. | 99,257 |
| New Brunswick.. .. .. .. .. .. | 75,614 |
| Newfoundland.. .. .. .. .. .. .. | 39,000 |
| Prince Edward Island.. .. .. .. | 24,227 |
| Total increase.. .. .. .. .. .. | 1,034,550 |

According to this calculation, Lower Canada would have in 1871, a population of 1,488,289 souls, which would have to be divided by 65, that being the invariable number of representatives assigned to Lower Canada, in order to ascertain what would be the number of con-

stituents for each representative in the federal parliament. The result will be found to be 22,896. Upper Canada would have a population of 1,814,918 souls, which, divided by 22,896 would give her 79 representatives instead of 82. Nova Scotia would have a population of 430,114 souls, which would give her 19 representatives as at present (eighteen and a fraction over the half). New Brunswick would have a population of 327,661 souls, which would give her fourteen representatives instead of fifteen. Newfoundland would have a population of 169,000 souls, which would give her seven representatives instead of eight. Prince Edward Island would have a population of 104,984 souls, which would give her five members as at present (i.e. four and a fraction over the half). It would be seen that if the five other provinces were represented on the same scale as Lower Canada, they would, in 1871, lose among them five members; but as the total population of each will not have decreased by five per cent, relatively to the total population of the confederated provinces, there will be no reduction in the number of their representatives, in accordance with the provisions of this twenty-first clause. It is the interest of Lower Canada, more than any other province, to watch with a jealous eye over the mechanism adopted for the organization of the federal legislature. In case of a vital question arising, we should have to counteract the votes of these five members (who ought, in justice, to be deducted from the representation of the other provinces) by those of five of our members, whose votes would thus be lost to us, as would also be the weight which their five united counties, with a total population of 114,480 (or 22,896 for each county), would throw into the scale.

As you will note, Mr. Joly complained then of what is happening to-day. But Sir Hector Langevin, one of the fathers of confederation, pointed out to him that he misinterpreted the Confederation Act, and I am quoting an extract from his speech of February 21, 1865, page 391, of the Debates of the House of Commons of that day.

The hon. member for Lotbinière, getting over his fears and predictions and speaking of the sixty-five members from Lower Canada, put the following question—"Suppose the population in Lower Canada should in ten years increase thirty-four per cent, while that of the other provinces increases only thirty per cent, would it not be unjust to Lower Canada that the number of its representatives should remain the same, should still be sixty-five, while that of the other provinces will be increased; while in any case the number of representatives from the other provinces is not to be diminished unless their population should diminish five per cent?" This point is very important, but we must observe that whatever the increase of the population in the other provinces, the part from Lower Canada is fixed and known. Thus, for instance, if the population of Upper Canada should increase more than that of Lower Canada, the latter would always have sixty-five members, the other provinces receiving such increased number of representatives as their increased population would entitle them to. But the resolutions do not prevent Lower Canada from having more than sixty-five representatives, if its population should increase faster than that of the other provinces. The French translation of these resolutions is erroneous, for its says that "for the purpose of determining the number of representatives from each province at the end of every decennial census, Lower Canada shall never have either more or less than sixty-five representatives," whereas the English version of the resolutions, which is the official version, says: "Lower Canada shall always be assigned sixty-five members." This does not mean that Lower Canada can never have more than sixty-five members, but that it cannot have less than sixty-five members. That is, I think, a categorical answer to the hon. member's objection.

This is a categorical answer, stated Sir Hector Langevin, and this categorical answer was never contradicted in that debate. Therefore, we should consider as a fact, that the basis of representation of the provinces in the House of Commons is the population of these provinces.

Moreover, allow me to read extracts from the proceedings of the deliberations of the delegates from the provinces of British North America assembled in October 1864, at Quebec, to discuss the scheme of confederation:

Minutes of the deliberations of the conference of the delegates from the provinces of British North America, October, 1864.

Conference Chamber,
Parliament Buildings,
Wednesday, October 19, 1864.

It was moved by the hon. Mr. Brown:

That the basis of representation in the House of Commons shall be the population as determined by the official census every ten years; and that the number of members at first shall be two hundred—distributed as follows:—

| | |
|---|---|
| Upper Canada | 89 |
| Lower Canada | 65 |
| Nova Scotia | 19 |
| New Brunswick | 15 |
| Newfoundland | 7 |
| Prince Edward Island | 5 |

That each section shall distribute its representatives in such electoral divisions as it deems best;

That until the official census of 1881 has been made up, there shall be no change in the numbers of the representatives from the several sections;

That immediately after the completion of the census of 1881, and immediately after every decennial census thereafter, the representation in each section shall be readjusted on the basis of population;

That for the purpose of such readjustment, Lower Canada shall always be assigned sixty-five members, and each of the other sections shall at each such readjustment receive, for the ten years then next succeeding, the number of members to which it will be entitled on the same ratio of representation to population as Lower Canada will enjoy according to the census then just taken by having sixty-five members.

That no reduction shall be made in the number of members returned by any section, unless its population shall have decreased relatively to the whole population of the whole federation to the extent of five per centum or over;

That in computing at each decennial period the number of members to which each section is entitled, no fractional parts shall be considered, unless when exceeding one-half the number entitling to a member, in which case a member should be given for each such fractional part;

That the number of members may at any time be increased by the federal parliament—regard being had to the proportionate rights then existing.

Mr. Galt: In reference to Mr. Brown's motion, I propose 225 members instead of 200. If we divide 225, according to population, I calculate it would give:—

| | |
|---|---|
| Upper Canada | 99 |
| Lower Canada | 74 |
| Nova Scotia | 21 |
| New Brunswick | 17 |
| Newfoundland | 8 |
| Prince Edward Island | 6 |
| | 225 |

We should commence with the census of 1861, and readjust after each subsequent census. We have supposed that the population of Lower Canada, being tolerably equable in its character, would afford the best basis. But having respect to the rapid increase of Upper Canada, we think the lower provinces should not be reduced if they do not increase in the same ratio. Therefore, the lower provinces would have the same as they have now unless in the very improbable case of any one falling off by five per cent or more—that is a decrease relatively to the whole population.

Mr. Brown: We thought it best not to take the census of 1861, but the proportionate increase in five years thence and change in 1881, but this may not be intelligible. It may be better to take the census of 1861. In that case the figures in the motion would be as follows:—

| | |
|---|---|
| Upper Canada | 82 |
| Lower Canada | 65 |
| Nova Scotia | 19 |
| New Brunswick | 15 |
| Newfoundland | 7 |
| Prince Edward Island | 5 |
| | 193 |

Mr. Tupper: That is better, as the public in the other case have no data.

Mr. Brown: In the apportionment, if a fractional part, we don't allow it; if over one-half, we allow one.

Mr. Johnson: But if you have quadrennial parliaments, you may by increase of population have to increase your members in the assembly at an improper time.

Mr. Tilley: And to alter your electorial divisions.

Mr. Brown: After the census of 1871, we shall adopt the same rule. The practical result will be that while Lower Canada certainly will not be less and the lower provinces may increase in population, they cannot decrease in the number of representatives. It keeps the house within a reasonable limit. It is now to start with one in 17,000. It will afterwards vary. There is just one difficulty. Messrs. Galt and Cartier think the number too small. They think the house should number 216. In that event, Mr. Galt proposes that Lower Canada should get 73, and the rest in proportion, so as to get, on the basis of the census of 1861, 216 in the house.

Mr. Coles: 1871 is too soon to alter. It should be in 1881.

Mr. Galt: Upper Canada will not consent to that, and it must be so definitely understood.

Mr. Tilley: We have fourteen counties, some with four representatives, others with two, and the City of Saint John, two. Twenty one, the number stated in the printed motion, would better answer us. I agree with Mr. Brown's proposition to begin with a goodly number, that it may not be disturbed for some time to come.

Mr. McCully: I advocate the adoption of the measure as it stands. I do not think we should make local distribution of members.

Mr. Archibald: By accident the proposed arrangement will suit both Nova Scotia and New Brunswick. One member for each county, and one for each metropolis, will give the exact number provided in Mr. Brown's scale of 193.

The several provinces announced their consent and approval of the scheme of 193 members based on the census of 1861, as precisely suiting the mode in which each could adapt the electoral divisions at present existing to such a state of things.

Mr. Shea, however, argued that inasmuch as a Newfoundland census was taken in 1857, an allowance for the period intervening between that date and 1861 would entitle Newfoundland to another representative. It was conceded by all the provinces that Newfoundland should have another representative, thus raising its number to eight, and the whole number to 194.

Mr. Brown's motion carried, Prince Edward Island alone voting nay.

Mr. Haviland: Prince Edward Island would rather be out of the Confederation than consent to this motion. We should have no status. Only five members out of 194 would give the Island no position.

Mr. Tilley: That is rather singular ground of objection, for they objected to the basis of representation by population. Now it was fully understood at Charlottetown that those who came to the conference expected representation by population. Some difficulty might have arisen on those points but not on this.

Mr. Palmer: I am not inimical to the grand scheme of Confederation. I believe it will be productive of great benefit. But I take exception to the principle adopted by this resolution. Representation by population is not applicable when a certain number of provinces are throwing their resources into one confederation, and giving up their own self-government and individuality. When a colony surrenders that right, she should have something commensurate in the Confederation. The debt of Prince Edward Island is nothing. Our taxation is vastly below that of the other provinces. Our trade and revenue are rapidly increasing. Why give up so great certainties for an uncertain benefit where we have only a feeble voice? Looking first at the larger provinces, Canada has secured to herself a greater number of representatives than she had before. It may be said that we may join with the other maritime provinces in any matters affecting our common interests, but even then our united strength would still be far below Canada's number of representatives. Not even two or three more members would induce me to give my assent to the scheme. I never understood that any proposition at Charlottetown was to be binding as to representation

by population. It was there made by those from Canada and I did not think it necessary to remark on it, as it was a mere suggestion then thrown out by Canada for consideration.

Mr. Shea: The speech just made should have been delivered before we came to this conference. What has brought us here? What brought about the conference except the difficulties in Canada over the question of representation by population? We came here from Newfoundland with that understanding. Canada could not give way in such a matter. Prince Edward Island is in a better position than Newfoundland as regards the Legislative Council, as they have an equal number of representatives therein.

Mr. Coles: Newfoundland is the cause of our getting a less representation in the Legislative Council than we should otherwise have had. I understood that this matter was to be settled on the basis of representation by population. I stated lately that I thought our Prince Edward Island government should not have sent us here unless to carry out these views stated by the Canadian government. The Attorney General of Prince Edward Island (Mr. Palmer) now states that the government cannot accede to it. I think that we came here prepared for representation by population, and I regret that the Attorney General of Prince Edward Island had not previously stated that he could not accede to the principle and withdrawn from the conference.

Mr. Haviland: I am not a member of the Prince Edward Island government. I express only my individual opinion.

Mr. Coles: Then the government should have instructed their delegates properly.

Colonel Gray (Prince Edward Island): My colleagues and myself feel in a humiliating position. We feel that a slur has been cast by Mr. Coles on the government which I have the honour to lead. I came to the conference understanding fully the question. I have never had any conversation with the Attorney General on the subject. My idea was as clear as the sun at noonday that we were to treat on the basis of representation by population. The Attorney General heard as much as I did at Charlottetown. Certainly none of us should have been here unless the members of our delegation had been agreed on the point. All that I could get for Prince Edward Island I would, but I fancied we were fully agreed on these points at Charlottetown, and that our discussion was to be about details.

Mr. Galt: It would be a matter for the greatest regret that any difficulty should arise over this matter. We request the Prince Edward Island delegates to reconsider their position. It would be a matter of reproach to us that the smallest colony should leave us.

Mr. Whelan: I should feel it my duty to-night to vote against the resolution, but we had better reconsider the matter. Mr. Haviland and I came here perfectly untrammelled and without any instructions from the Governement of Prince Edward Island. We understand that all proceedings were to be de nova and apart from anything which had taken place at Charlottetown. I thought that Prince Edward Island had not been fairly treated as to representation in the Legislative Council, but I gave way on that occasion. I do not think, however, I could say that I was satisfied with the representation of five in the Federal House of Commons. We are in an isolated position. Our resources are large, and our people would not be content to give up their present benefits for the representation of five members. It may be said that the Confederation will go on without Prince Edward Island, and that we shall eventually be forced in. Better, however, that, than that we should willingly go into the Confederation with that representation. But if the government who form the delegation will take the responsibility on them, I may support them.

Adjourned at 10 o'clock p.m.

Thursday, 20th October, 1864.

Mr. Brown: I desire to ask if the Prince Edward Island delegates will state what their views are on the resolution of last evening?

Mr. Palmer: On making my observations last night I was under the impression with respect to any vote given that the party voting was bound to maintain it. Dr. Tupper had said whoever voted for a proposition could not afterwards oppose it in his local legislature, and such appeared to be the general opinion by tacit consent. I could not consent that Prince Edward Island, free of debt comparatively, should come into federation with the other provinces indebted largely, especially as nothing had been said or settled as to the relative share of the burden to be borne by each. I am told, however, by my colleagues from Prince Edward Island, that the financial question will follow the present discussion, and that the matter of representation must depend on the financial resolutions. That may alter our position.

Mr. Coles: Every question must stand on its own footing. Why mix up financial matters with representation?

Colonel Grey (Prince Edward Island): I am instructed by my co-delegates to say that the provision of five members is unsatisfactory. Prince Edward is divided longitudinally into counties, each returning ten members. But they are always opposed to change of representation. We cannot divide the three counties among the five members.

Mr. Brown: Every province must revise its own electoral division to suit the number to its representation.

Mr. Coles: Mr. Galt had proposed six members for Prince Edward Island. I approve that rather than Mr. Brown's motion, because it allows us to give to our three counties two members each.

Mr. Pope: I was absent last night. I was under the impression that it had been clearly laid down at Charlottetown that representation by population was to form the basis of he Lower House. I could not, therefore, have argued for a greater number than our population entitled us to get. I agree in all that has been said by Colonel Gray and Mr. Coles. But the circumstances of Prince Edward Island are such that I hope the conference will agree to give us such a number as we can divide amongst our three constituents. Nature, as well as the original settlement of the Island, has made three counties, and it will give rise to much difficulty if we had to adjust five members to the three counties. I cannot ask it as a matter of right, but one of expediency as one without which it is impossible for us to carry the measure in Prince Edward Island, I, therefore, ask for six members.

Mr. Haviland: I fully agree with Mr. Pope. It would be an insuperable difficulty if we had not six members.

Mr. Brown: To give Prince Edward Island five members the total population should be 205. It is obvious we cannot depart from representation by population. The only thing to do would be to take Prince Edward Island as the basis which would give a House of 230, altogether too large. Give one member to each county, and let the whole Island elect the other two, and keep the number five intact; or let the whole Island elect five. We should have to add thirty eight members to the House in order to give Prince Edward Island, six as the basis of representation by population.

Mr. A. A. Macdonald: We are not bound by the principle of representation by population laid down at Charlottetown. Our constituents will say and will speak of the increased representation of Canada, and decrease representation of the Lower Provinces.

Mr. Galt: There is no use in asking the conference to depart from the principle laid down. We cannot justify it. If the principle is good it is the same for all, and we could not defend the action of giving 13,000 in Prince Edward Island a number where it required 17,000 in any other province for that purpose. It would be indefensible. The difficulty is of a purely local nature. It is impossible for the conference to depart from the rule of population being the basis of representation.

Mr. McCully: There is another reason. As to the constitution of the Upper House, we looked on that as flexible. If we made the concession perhaps Prince Edward Island might not come in, and, besides, the Northwest might require, for a local reason, an increased representation irrespective of population. The rule of representation by population must be rigid and unyielding.

Mr. Dickey: Give one member to each county in Prince Edward Island, one to Charlottetown, and one elected by the whole Island. Members elected for the federal legislature would not be elected for local purposes, but are representatives of the whole Island. It is a question for Canada. We (Nova Scotia) would concede six members though it would place us in difficulty.

Mr. Haviland: There is no solution in the above proposition.

Mr. Pope: Religious feeling in Prince Edward Island runs very high. The Protestants outnumber the Roman Catholics, and in consequence the fifth number as proposed by Mr. Dickey would not represent the Roman Catholics.

Mr. Fisher: I came here convinced that representation by population was settled as the basis upon which the provinces were to be asked to confederate.

Mr. Coles: Whatever may be the result of this matter, Prince Edward Island should submit. The question has been settled. Let us go on with the business, and let Prince Edward Island settle for themselves when the question comes before them.

And after the debate:

And the question of concurrence being put on the motion of the Hon. Mr. Brown, the conference divided, and the names of the provinces were taken down as follows:

[Mr. Barrette.]

Yeas

| | |
|---|---|
| Canada | 2 |
| Nova Scotia | 1 |
| New Brunswick | 1 |
| Newfoundland | 1 |
| | 5 |

Nays

| | |
|---|---|
| Prince Edward Island | 1 |

So it passed in the affirmative.

And the hour of ten o'clock p.m. ensuing, and a motion for adjournment being carried, the chairman declared the conference adjourned until to-morrow.

I wish to draw the attention of the House to the adoption by this conference of a resolution as proposed by Mr. Brown, and which reads as follows:

The basis of representation in the House of Commons shall be population, as determined by the official census made every ten years, etc.

Immediately after the completion the census of 1871, and immediately after every decennial census thereafter, the representation in each section shall be readjusted on the basis of population.

For the purpose of such readjustments Lower Canada shall always have sixty-five members, etc.

No reduction shall be made in the number of members returned by any section, unless its population shall have decreased relatively to the whole population of the whole federation to the extent of five per centum or over.

The federal parliament may at any time increase the number of members—regard being had to the proportionate rights then existing.

And as they discussed these resolutions, the delegates became more familiar with the subject. Thus, Mr. Galt explains clearly that the clause providing that a province may keep its representation in the event of a decrease in its population of less than five per centum has been inserted so as to protect all other provinces against that of Ontario, and he expresses himself in the following terms:

We should commence with the census of 1861, and readjust after each subsequent census. We have supposed that the population of Lower Canada, being tolerably equable in its character would afford the best basis. But having respect to the rapid increase of Upper Canada, we think the lower provinces should not be reduced if they do not increase in the same ratio. Therefore, the lower provinces would have the same as they have now unless in very improbable case of any one falling off by five per cent or more—that is a decrease relatively to the whole population.

And Mr. Brown added:

The practical result will be that while Lower Canada will not be less and the lower provinces may increase in population they cannot decrease in the number of their representatives. It keeps the house within reasonable limits.

The above two quotations show very clearly that the clause concerning the five per centum has not been inserted with a view to protecting the province of Ontario. It was in fact an arrangement proposed by the latter province with a view to win the other provinces to the principle of representation by population. This principle was further advocated by the several delegates to the conference with the exception, however, of the delegates from Prince Edward Island who were against population forming the basis of representation, and they preferred at first to remain out of the confederation rather than consent to this measure.

Following are some declarations made by a few of the delegates:

Mr. Tilley: It was fully understood at Charlottetown that the several delegates who came to the conference expected representation by population.

Mr. Shea: The conference was brought about by the difficulties arising in Canada over the question of representation by population. We came from Newfoundland with this understanding. Canada cannot give way in such a matter.

Mr. Coles: I understood that this matter was to be settled on the basis of representation by population.

Colonel Gray: My idea was as clear as the sun at noonday that we were to treat on the basis of representation by population.

Mr. Pope: I was under the impression that it had been clearly laid down at Charlottetown that the House of Commons was to be constituted upon the basis of representation by population.

It was also in the course of the same speech that Mr. Pope proposed that Prince Edward Island be given an additional member, not as a matter of right, but one of expediency.

To which Mr. Brown took objection on the ground that this would have made it necessary to increase the number of members from the other provinces.

Mr. Galt added:

It is impossible for the conference to depart from the rule of population being the basis of representation.

Mr. McCully added:

The rule of representation by population must be rigid and unyielding.

The motion of Mr. Brown was then carried by the conference of Quebec in 1864, adopting the principle of representation by population.

The following year, on March 13, 1865, the Provincial Parliament of Canada after a lengthy debate also adopted the terms of the Act of Conference concerning the following clauses: 17, 18, 19, 20, 21, 22, 25.

In the course of the discussion, it was emphatically declared that representation should be constituted on the basis of population, and Sir Hector Langevin in his speech, an excerpt of which I have already quoted, declared that clause 21, in respect to the five per centum clause, cannot work to alter the basis of representation by population. As in the hypothetical case presented by Mr. Joly, the representation of Quebec will be increased.

I also wish to draw the attention of the House to the fact that following the conference of Charlottetown, that of Quebec in 1864, and a meeting of Parliament of Canada, in 1865, there was held in London a conference of the delegates from the provinces of Ontario, Quebec, Nova Scotia and New Brunswick.

The following is the official correspondence relating to this conference:

Appendix
VI

Westminster Palace Hotel,
London, S.W., Dec. 4, 1866.

My Lord,

I have the honour to inform you that the delegates from the provinces of Canada, Nova Scotia, and New Brunswick met this morning and formed themselves into a conference for the purpose of arranging the terms of union of those provinces.

The gentlemen forming the conference are as follows:

CANADA

The Hon. John A. Macdonald, Attorney-General, Upper Canada, and Minister of Militia of Canada.
The Hon. G. E. Cartier, Attorney-General of Lower Canada.
The Hon. A. T. Galt.
The Hon. W. McDougall, Provincial Secretary.
The Hon. W. P. Howland, Minister of Finance.
The Hon. H. L. Langevin, Postmaster General.

NOVA SCOTIA

The Hon. Charles Tupper, Provincial Secretary.
The Hon. W. A. Henry, Attorney-General.
The Hon. J. W. Ritchie, Solicitor General.
The Hon. J. McCully.
The Hon. A. C. Archibald.

NEW BRUNSWICK

The Hon. P. Mitchell, President of Council.
The Hon. R. D. Wilmot.
The Hon. S. L. Tilley, Provincial Secretary.
The Hon. Charles Fisher, Attorney-General.
The Hon. J. M. Johnson.

I have the honour further to inform Your Lordship that I was then appointed Chairman, and Lieut.-Col. H. Bernard, Secretary of the conference.

I have the honour to be, My Lord,
Your Lordship's most obedient servant,
John A. Macdonald.

The Rt. Honourable,
The Earl of Carnarvon,
Secretary of State for the Colonies.

Westminster Palace Hotel,
London, December 25, 1866.

Dear Lord Carnarvon,

I am happy to inform you that the delegates who have sat steadily from the 4th to the 24th

inst., have arrived at a satisfactory conclusion, and have adopted by unanimous vote of the provinces, a series of resolutions which I shall transmit to-morrow morning to Your Lordship at the Colonial Office.

The delegates desire me to convey to you their views that it is expedient to avoid any publicity being given to the resolutions until the bill is finally settled and ready to be laid before parliament. They think that their early publication would answer no good purpose, and might tend to premature discussion on imperfect information of the subject both in this country and United States.

Believe me,
Dear Lord Carnarvon,
Yours very sincerely,
John A. Macdonald.

The Rt. Honourable,
The Earl of Carnarvon,
Secretary of State for the Colonies.

Westminster Palace Hotel,
London, December 26, 1866.

My Lord,

I have the honour to transmit to you by desire of the conference of delegates from Canada, Nova Scotia and New Brunswick, a series of resolutions. They submit these resolutions for the favourable consideration of Her Majesty's government with a view to the early introduction of a bill into the Imperial parliament based upon them.

The delegates purpose to reassemble here on Friday the 28th inst., and shall be glad to wait on Your Lordship at your convenience for the purpose of arranging the course of action.

I have the honour to be, My Lord,
Your Lordship's very obedient servant,
John A. Macdonald.

The Rt. Hon. The Earl of Carnarvon.

December 28, 1866.
Downing Street,

Sir:—

I am directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 26th instant, forwarding resolutions in which the delegates from Canada, Nova Scotia and New Brunswick have embodied the principles on which they desire that a bill may be introduced into parliament for the union of those provinces.

Lord Carnarvon will at once give his careful attention to these resolutions, and as soon as His Lordship shall have had time to give them the consideration which they require, he will not delay to fix a day and hour when he may have the pleasure of conferring with you and the other gentlemen who are acting with you on the subject.

I am, sir, your obedient servant,
Frederic Rogers.

The Hon. John A. Macdonald.
Confidential.

Highclere Castle,
Newbury, December 28, 1866.

My Dear Sir:—

I received this morning your official letter and the resolutions of the delegates.

I found it difficult to consider them in their present form and have sent them to London to-day to be put into type; but I will on their return to me lose no time in giving them my best attention. I will communicate with you, as soon as I have sufficiently mastered the changes introduced, to fix a meeting with yourself and the delegates.

I quite agree in the expediency of considering the resolutions private for the present.

Believe me, my dear sir,
Yours very faithfully,
Carnarvon.

The Hon. J. A. Macdonald.

The resolution relating to the House of Commons reads as follows:

The House of Commons shall be constituted upon the basis of representation by population and shall consist of 181 members, distributed as follows: Upper Canada, 82; Lower Canada, 65; Nova Scotia, 19 and to New Brunswick, 15; and after the decennial census of 1871, and every decennial census thereafter, upon the termination by a dissolution or otherwise of the parliament then existing, the representation from each province shall be readjusted, and for that purpose shall always be assigned 65 members, and to each of the other provinces at each readjustment shall be assigned the number of members to which it will be entitled in the same ratio of representation to population as Lower Canada will have.

In the computation at each decennial period of the number of members to which each province is entitled, no fractional part shall be considered, except in cases when any such fractional part shall exceed one-half the number which would entitle a province to a member on the basis of population, in which case a member shall be assigned for each such fractional part; and no reduction shall be made in the number of members to be returned by any province unless its population shall have decreased relatively to the population of the whole union, to the extent of five per centum.

The parliament may at any time increase the number of members in the House of Commons, but such increase shall be in the proportion to which each province would be entitled under this act.

Once more you can see that it is stipulated that population shall form the basis of representation and that the parliament may at any time increase the number of members in the House of Commons, such increase to be in the proportion to which each province is entitled. You will further notice that the reason why Quebec is assigned 65 representatives is being given in the following terms:

Representation from each province shall be readjusted and for the purpose of such readjustment Lower Canada shall always have sixty-five members.

This number of sixty-five members is established for the purpose of the readjustments, because it represented at that time the number of representatives Quebec was entitled to get according to its population. It was never intended to limit at sixty-five the number of representatives from Quebec, but simply to settle the total number of representatives in parliament, using as a basis the population

of Quebec which, it was expected, would increase with more stability than that of the other provinces.

The Act of British North America was subsequently passed by the Imperial parliament. The only difference between the statute enacted by the latter parliament and one passed by the Canadian delegates, is in the phraseology. The rule in respect to population being the basis of representation is clearly defined therein.

If, because of subsection 4 of section 51 of the Act of North British America, the principle of representation by population is materially affected, then we must, as explained by Sir Hector Langevin, take advantage of section 52 of the same act which stipulates that the number of members of the House of Commons may be increased by parliament, from time to time, regard being had to proportionate rights then existing, as provided by the act.

I ought to remind you, sir, at this time that the Act of Confederation of British North America has been altered at London, and that subsection 1 of section 51, which reads: "Quebec shall have the fixed number of 65 members," has been substituted for the original clause reading, "For the purpose of readjustments, Lower Canada shall always be assigned 65 members. . . ." etc. Both versions, however, must be interpreted as meaning that Quebec is to have a minimum of 65 members.

It is obvious that this number was adopted because it was expected then that the population of our province would increase gradually and come nearest to the average increase in population of the whole country—and that is exactly what happened; the increase in population of the province of Quebec has been proportionate to the average increase of the whole population of Canada. On the other hand, the population of the province of Ontario, after increasing for a few years, has not been decreasing relatively to the increase of the general population, seemingly to the extent of 3·86 per centum.

Therefore, it is obvious that unless parliament avails itself of its power, as per the provisions of section 52, of the British North America Act to raise the number of representatives in the House of Commons, that Ontario shall continue to retain its 82 members, in spite of the fact that the population will be decreasing by 3.86 per centum at each census compared with the increase of the rest of the population.

At the time of the 1921 census, Ontario was entitled to get no more than 81 members; nevertheless, the latter province has, in accordance with the provisions of subsection 4 of section 51, retained its 82 members. The retaining of this one member did not in itself constitute a great injustice to the other provinces, but it created a precedent in consequence of which, upon the date of the census of 1931, Ontario has retained four members above the number which its population entitled it to get. What will the result be upon the census of 1941 and thereafter?

Let us suppose that the Dominion of Canada shall increase in population in the proportion of 18.4 per centum every ten years; that the province of Quebec shall also increase in the same proportion, that is 27.71 of the total increase, while the increase for the province of Ontario relatively to that of the other provinces, shall be less, gradually to the extent of 3.86 per centum—less than one-twentieth. Thus, Ontario, never decreasing to the extent of one-twentieth relatively to the general population of the dominion shall upon every census retain its 82 members, and we will then have the following result, in 1941, the population of the whole of Canada shall be 12,241,551; that of Quebec shall be 3,392,133, while that of Ontario shall be of 3,848,743. Nevertheless, Quebec shall have 65 members—one member per every 52,186 of population; while Ontario, with a population not entitling it to get more than 74 members, shall retain its 82 members —8 members above the number to which it is entitled, and each of its members shall be elected by 46,936 constituents—5,250 less than in each county in the province of Quebec, which will nullify the votes of 341,250 voters of the latter province. In 1951, the population of the dominion shall be 14,445,030; that of Quebec, 4,012,717, and that of Ontario, 4,316,174. Thus, Quebec with its number of sixty-five, shall have one member to every 61,734 which ought to bring down the representation from Ontario to 70 members; yet, because its comparative decrease in population will be less than one-twentieth, the province of Ontario shall retain its 82 members, each one of whom shall represent a population of 52,635 which is 9,099 less constituents than in every county in the province of Quebec, and will nullify 591,435 votes from our province.

In 1961, the population of the dominion shall be of 17,045,135; that of Quebec, 4,723,-206 and that of Ontario, 4,840,818. Each member from Quebec shall represent 72,666 constituents. While the representation from Ontario should be reduced to 67 it will, nevertheless, retain its 82 members. Each of these 82 members representing 59,034 constituents,

which is 13,632 less than in each county in the province of Quebec, and will nullify 886,080 votes from the latter province. In 1971, the population of the dominion shall be 20,113,259, that of Quebec, 5,573,382 and that of Ontario, 5,426,557.

You will notice that in 1971, the Ontario population shall be slightly less than that of Quebec, nevertheless that province shall have retained its 82 members as against 65 from Quebec. In 1971, Ontario shall be assigned one member for a population of 66,177 while Quebec shall have one member for a population of 85,600, a difference of 19,423 per county, which nullify 1,262,495 votes from the latter province and 3,059,637 from all over Canada.

This proportion is absolutely ridiculous, in fact so much so that it makes it obvious that section 52 has been inserted to correct section 51 which is solely a clause to guarantee a certain minimum representation to the province.

The following is a schedule of figures I have just quoted.

| Census— | Population Canada | Population Quebec | Population Ontario |
|---|---|---|---|
| 1861 . . | 3,171,418 | 1,111,566 | 1,396,091 |
| 1871 . . | 3,689,257 | 1,191,516 | 1,620,851 |
| 1881 . . | 4,324,810 | 1,359,027 | 1,926,922 |
| 1891 . . | 4,833,239 | 1,488,535 | 2,114,321 |
| 1901 . . | 5,371,315 | 1,638,898 | 2,182,947 |
| 1911 . . | 7,206,643 | 2,005,776 | 2,527,292 |
| 1921 . . | 8,787,949 | 2,367,665 | 2,933,662 |
| 1931 . . | 19,374,196 | 2,874,255 | 3,431,683 |
| 1941 . . | 12,241,551 | 3,392,133 | 3,848,743 |
| 1951 . . | 14,445,030 | 4,012,717 | 4,316,174 |
| 1961 . . | 17,945,135 | 4,723,206 | 4,840,818 |
| 1971 . . | 20,113,259 | 5,573,382 | 5,426,557 |

The 1931 census gives too considerable advantages to the province of Ontario for the other provinces to ignore the situation. If Ontario is to be allowed 82 members without increasing the representation of the other provinces, then the result will be that each member from Ontario will represent 41,856 constituents as against 44,219 for every member from the other provinces, (except Prince Edward Island) a difference of 3,269 constituents per county, which would make a total of 212,485 constituents whose votes would be nullified in Quebec only, or a total of 519,771 for the whole of Canada.

The British North America Act is the result of an agreement signed by the delegates from the several provinces of the Dominion, the basis of which being that every province shall be represented in the House of Commons by a number of members proportionate to its population. Every province had insisted on this condition and this is precisely why Prince Edward Island remained out of the confederation at the start.

[Mr. Barrette.]

The idea of confederation originated in Ontario, the most powerful of all provinces of the dominion, which for years had requested the representation by population.

Subsection 4 of article 51, was inserted with a view to the protection of the smaller provinces, and it never occurred to any of the delegates at the time that this clause might some day, serve to give the larger province of the dominion such a considerable advantage over the other provinces.

The population of Ontario which is affected by subsection 4 of section 51—that is to say one-twentieth of its comparative population, is four times more considerable than that of the second largest province—exception being made of Quebec—and thus give her a protection four times greater.

Parliament has not only the power but it has also the duty to carry out the provisions of section 52 of the act with a view to the re-adjustment of the representation from the provinces so that Ontario shall not be assigned a higher percentage of the membership of the house than her population entitles her to get and this can only be done by increasing the total membership of the house. Ontario has the right to retain her 82 members but the other provinces have also the right to an increased membership.

According to the census of 1931, Ontario has a population of 3,431,683 which if divided by 82 gives a result of 41,849; the population of the dominion is 10,374,196 from which we should deduct the population of Prince Edward Island, the Yukon and the North West Territories, which are assigned 5 members irrespective of population numbers 100,720 and therefore the net population of the other provinces, amount to 10,273,476, which divided by 41,849 would give 245 members for these provinces, and to that number should be added 2 members to provide for subsection 3 of section 51 which allow an extra member to a province for a fractional part exceeding one-half of the unit of representation and this would bring the total membership to 252 members including the five members for Prince Edward Island and the Yukon. Therefore, in all fairness to five provinces of the dominion a bill should be passed by the house stating that:—

"According to section 52 of the confederation act, the number of members of the House of Representatives is thereby increased from 245 to 252—and, the next House of Commons shall be constituted as prescribed by the confederation act upon the basis of repre-

sentation by population and shall consist of 252 members distributed as follows:

| | |
|---|---|
| Ontario | 82 |
| Quebec | 69 |
| Prince Edward Island | 4 |
| Nova Scotia | 12 |
| New Brunswick | 10 |
| Manitoba | 17 |
| Saskatchewan | 22 |
| Alberta | 18 |
| British Columbia | 17 |
| Yukon | 1 |
| | 252 |

And for this purpose subsection (1) of section 51 is changed to read: "Quebec shall have the fixed number of 69 members," and subsection 2 of section 51, is amended by substituting—"Number sixty-five by number sixty-nine."

Section 52 gives to the Parliament of Canada the right to amend section 51—as mentioned above, as otherwise, Parliament could not take advantage of Section 52, as the number of members is controlled by the population of the Dominion divided by the population of Quebec multiplied by 65—plus such additional numbers guaranteed to the provinces by sub-section 4 of section 51, and a special act of the Imperial Parliament which guarantees to each province as many members as they have senators.

It is therefore, very clear that unless the Parliament of Canada can increase the representation of Quebec it cannot take advantage of section 52 and this would be an absurdity.

I must point out that section 52 gives to parliament the right to increase the membership of the house but does not give it the right to reduce such membership. This reduction can only come in the natural operation of section 51 by an excess increase in the population of Quebec over the population of the other provinces. And this is an additional proof that the legislators intend to fix the representation of Quebec at 65 as a minimum and not as a maximum, as stated by Sir Hector Langevin.

What objections can there be to give to Quebec and five other provinces the increased membership they are entitled to receive? Economy? The indemnity of the 9 new members will total $28,000 less 10% or $25,800. By decreasing the indemnity of each member by 12½% instead of 10%, you will offset this increase in our expenditures and even if the full amount of $28,000 had to be provided for, the principle involved is worth much more as the advantages given to Ontario now represent the disfranchising of 212,485 of Quebec citizens, figure which is obtained by multiplying by 65 the difference of the unit of representation between Ontario and Quebec; each member represents 54,219 citizens in Quebec and only 41,850 in Ontario a difference of 3,269 by county. Also, you must keep in mind that at the time of confederation the unit of representation was 17,101 and it is now 44,219, or more than 2½ times greater. This unit should be stabilized around 40,000 and this can only be done by increasing the membership of the House.

If it does not take this logical and just action, the government will be facing a worse situation at the next census. During the next decade, indications show that Quebec and the West will continue to increase at a greater rate than Ontario. If the same rate prevailed, Ontario who has retained 1 seat more than she was entitled in 1921, and 4 seats more in 1931 would be entitled in 1941 to 8 seats less which she may keep on account of subsection 4 of section 51: in 1951, she will again keep 12 seats more than she is entitled, in 1961, 15 seats more and 1971, 19 seats more with the result that in 1971, with a population less than Quebec, Ontario would still retain its 82 members, against the 65 members of Quebec. Do you think that Quebec and the other provinces would tolerate this?

I fail to see how Ontario could be allowed to retain the representation it now enjoys without increasing proportionately the representation of the other provinces. The confederation act does not only permit but implicitly compels the house in this case to increase the membership of the house by using section 52 of the act. The rights of five provinces are involved and surely these five provinces should vote unanimously in favour of my resolution which is a recognization of their rights. A vote against it by any member of the province affected can only mean that this particular member would deliberately refuse to accept an increased membership for his province, because it would benefit Quebec too much. But this cannot be the spirit of justice which animated the present parliament and I expect that every member of this house will vote for my resolution as soon as he will stop to think and recognize its justification.

This resolution is of the utmost importance to the Province of Quebec, which would entitle it to four more members; British Columbia, so well represented by the hon. Minister of Trade and Commerce (Mr. Stevens), would be entitled to three more seats; Alberta to two, and Saskatchewan to one.

I do not see why, those who have an interest in setting forth the claims of their

respective provinces should not take advantage of the present resolution. In my own province it may be contended that it is simply a question of delivering a speech in the House and being placed in the limelight, however, I state the province of Quebec, under the circumstances, is entitled to have four more members, comparatively to the population of Ontario; this is what I am claiming at present in the house and I trust that my voice will be re-echoed, especially on this side of the house. I see by my side the honourable member for Dorchester (Mr. Gagnon), the honourable member for Montmagny (Mr. LaVergne) as well as the honourable member for St. Ann (Mr. Sullivan) all of whom, I am certain, will claim what is due to the province of Quebec. I am also aware that a number of my colleagues on your left, sir, will equally do their duty and claim for our province a just share of representation. I feel confident that the government will agree that the claim which I have just presented is just and will be favourably considered.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I have not been able to follow the hon. member for Berthier (Mr. Barrette) in his argument, but I think I understand fairly well the chief points of the case he has presented. The hon. member suggests that because of the application of, shall I say the rules of the game, as set forth in the British North America Act, it so happens, that the unit of population of Quebec at the present time exceeds the number which is found by dividing the number of members for Ontario into the population of that province, and that possibly there has been something in the nature of unfairness to the other provinces of Canada. The hon. member has been good enough to indicate that in my own province of British Columbia, if his system of allocation of members throughout Canada were adopted, we would have three additional members instead of two. However, this situation is covered by the British North America Act.

The first point which I would like to draw to the attention of my hon. friend is that the resolution which he proposes, no matter what treatment it may receive, cannot in any way affect the matter as it is determined by the British North America Act. Let me direct the attention of the house and my hon. friend to the terms of his resolution. It will be noted that he asks for two things, his first proposal being that the parliament of Canada shall grant the provinces "just and equitable representation." I shall deal with this point in a moment when I refer to the



British North America Act. He then asks that this representation be based upon the unit of population of the province of Ontario.

When the fathers of confederation dealt with this very difficult and complex matter they hit upon a system which has I think been recognized throughout the British Empire, and probably throughout the world, as a unique and admittedly fair method of ascertaining the representation within a dominion such as Canada. Furthermore, the fathers of confederation, and particularly Cartier, who as one of the members of the government at the time played an important part in formulating this particular scheme, were highly commended for the solution which they had arrived at. Through all the succeeding years this has been looked upon as one of the outstanding achievements of confederation. May I point out to my hon. friend that were it possible to adopt his resolution, which it is not; were we able to achieve the objective which he desires, namely, that the unit of representation should be based upon the population of Ontario provided by its present number of members, it would take away from his own province what has always been looked upon as one of its finest, shall I say, elements in its association with confederation—the fixture of its representation at sixty-five members.

An hon. MEMBER: A safeguard.

Mr. STEVENS: Yes, a safeguard. If this resolution were adopted I am afraid we would hear some very strong protests from the hon. member's own province, because, after all, it would be but a temporary advantage which would pass away as time went on.

If hon. members care to refer to the British North America Act, they will find that this matter has been fully covered by sections 51 and 52. For the purpose of the record and for the information of the house I shall quote from the act. Section 51 reads:

> On the completion of the census in the year one thousand eight hundred and seventy-one, and of each subsequent decennial census, the representation of the four provinces shall be readjusted by such authority, in such manner, and from such time, as the parliament of Canada from time to time provides, subject and according to the following rules:

A moment ago I referred to the rules of the game, and perhaps that term was not entirely out of place. Certain rules are then set out in the act, and these rules have been followed from the time of confederation down. The first rule reads:

> Quebec shall have the fixed number of sixty-five members:

The hon. member urges that the British North America Act does not say that Quebec shall not have more than sixty-five members; his argument is that the act says that it shall not have less than sixty-five, and he suggests that it is permissible for them to have more. I submit that the reading of the act will show that he is in error in making that deduction. Rule No. 1 states that Quebec shall have the fixed number of sixty-five members, no more and no less. Rule No. 2 reads:

> There shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population (ascertained at such census) as the number sixty-five bears to the number of the population of Quebec (so ascertained).

In simple language that means that we take the population of Quebec, divide it by sixty-five, which gives the unit of representation which is then applied to the other provinces. The fathers of confederation anticipated possible trouble, and in their wisdom they devised further rules. Rule No. 3 reads:

> In the computation of the number of members for a province a fractional part not exceeding one-half of the whole number requisite for entitling the province to a member shall be disregarded; but a fractional part exceeding one-half of that number shall be equivalent to the whole number.

In other words, if in applying the unit ascertained from the province of Quebec to another province there is a fraction and that fraction is less than one-half, it shall be disregarded, but if it exceeds one-half, then it shall give the province the right to another member. Rule No. 4 governs the whole case upon which my hon. friend has based his argument, and to my mind it makes a complete reply. It reads:

> On any readjustment the number of members for a province shall not be reduced unless the proportion which the number of the population of the province bore to the number of the aggregate population of Canada at the then last preceding readjustment of the number of members for the province is ascertained at the then latest census to be diminished by one-twentieth part or upwards.

That may seem a little complicated, but in my own perhaps more simple language it means that unless the population of a province is found to have diminished more than one-twentieth in its relation to the total population of the dominion, then the number of members from that province shall not be disturbed; if the diminution is more than one-twentieth, then the number of members must be reduced accordingly.

What has happened in the present instance is this: The unit ascertained by the application of rule No. 1 is 44,219. My hon. friend asks that we should divide 44,219 into the total population of Ontario. Upon doing that he finds that Ontario is entitled not to eighty-two members but to some lesser number. However, he has overlooked the provision contained in rule No. 4 which states that unless the population of Ontario has diminished by more than one-twentieth the decrease shall be disregarded; consequently the application of the unit of 44,219 is not necessary. Under rule 4, Ontario retains its present number of members, eighty-two.

Let me pause for a moment to indicate the fairness of this rule. There is no doubt as to its purpose. It was set down in anticipation of, shall I say, temporary variations in the extent of the advancement of population in the various provinces. That is really what it is intended to anticipate. For instance, in this case the population of Quebec has advanced at a more rapid ratio than the population of Ontario, and such a possibility was anticipated by the act. Of course, the same applies to other provinces as well. If I am not mistaken—and the Minister of Finance (Mr. Rhodes) will correct me if I am wrong—at the last census the same rule was applied to Nova Scotia and preserved for that province one or two members that it otherwise would have lost and that unfortunately I think it will lose on this particular occasion because the differentiation is more than one-twentieth.

Mr. MERCIER (Laurier): In the case of the maritime provinces is the number of senators to which they are entitled not the basis on which the number of their members to this house is established?

Mr. STEVENS: No, my hon. friend is referring to another point. What he refers to, I think, applies to Prince Edward Island, namely, that the number of members in the house shall in no case be less than the number of senators in the province.

Mr. MERCIER (Laurier): Does that apply only to Prince Edward Island?

Mr. STEVENS: It applies to any province, but it is actually in force only in regard to Prince Edward Island, because all the other provinces, I think without exception, have at the present time a larger number of members than senators.

Mr. STEWART (Edmonton): The numbers are pretty close in New Brunswick.

Mr. STEVENS: Yes, they are getting close. But the point I wish to make is that rule No. 4 of section 51 of the British North America Act has completely anticipated the

very point he has raised—that is the main argument he advances—and has specifically provided for it. Consequently it is not competent for us to change that.

The hon. gentleman then proceeds to section 52, and under it he makes the claim that it is competent for the house to increase the number of members. I shall read section 52 and then indicate wherein I differ from my hon. friend in the interpretation of it. Section 52 reads:

> The number of members of the House of Commons may be from time to time increased by the parliament of Canada, provided the proportionate representation of the provinces prescribed by this act is not thereby disturbed.

Obviously, the meaning of that section is simply that should, for instance, Quebec stand dormant, without increase in its population —a condition which, heaven knows, is impossible, but still let us assume for the sake of argument it were so—and the rest of Canada were to increase rapidly in population, then the unit of population ascertained by the division of the population of Quebec by sixty-five, divided into the rest of Canada, would very probably call for a much larger number of members than at present sit in the house. While the hon. member was speaking, I made a brief computation which will illustrate this point. Let us assume for the sake of argument that in the next decennial period the population of Quebec did not change and the number of members being sixty-five, the unit of population would be, as at present, 44,219. But assume also that 3,000,000 were added to the rest of Canada: that would give an additional 240 members above the number for Quebec, or, in all, 305 members who would have seats in the house. I admit that with the division of provinces there would be fractions which would vary that, but I am taking it just as a general argument. In other words, if the population of Canada outside Quebec increased at a more rapid ratio than did Quebec, there would be an increase of membership in the house. So the fathers of confederation, realizing that that might occur, provided that the parliament of Canada, in the event of such a happening, should have the power to increase the number of members in the house, and of course this has been done from time to time. I believe at the last decennial census it worked out that the increase was from 241 to 245 members. I am speaking from memory.

Mr. SPEAKMAN: From 235 to 245.

Mr. STEVENS: Yes, I thank the hon. member. I knew there had been an increase. But this time it happens that although there are adjustments, a few gains in the western and a few losses in the eastern provinces, the number is unchanged. This is just a rather unusual coincidence. So my hon. friend who places a great deal of confidence in section 52 will, I think on second thought, recognize that that section is inserted in anticipation of what I have indicated may happen and not for the purpose of saying that the parliament of Canada, in disregard to the British North America Act, may willy-nilly increase the number of members in the house, any more than that parliament can disregard the British North America Act and change the basis of our whole calculation from Quebec to Ontario. That cannot be done without an amendment to the British North America Act, nor can the terms of rule 4 be varied without a change in that act, nor can we in any sense apply section 52 to the argument which he suggests.

I have very briefly, and I fear very imperfectly, covered my hon. friend's points. I should like to make this suggestion to him: in the first place I should strongly commend to him and to others who may be perturbed by the adjustments to which I have referred, that they should hesitate to press this resolution in view of the fact that it would take away from the province of Quebec the right it has enjoyed since confederation of having a fixed and assured number. That is an important matter, and I am sure there would be a very serious difference of opinion among the members from that province. That should be borne in mind. Then there is the further reason that this resolution cannot alter the situation at all; all it could do, if it were adopted, would be to embarrass the house, I might say; in fact, it would be quite useless. But the hon. member having had the opportunity of expressing his views and of drawing attention to the situation, I suggest to him that he might be good enough to withdraw his resolution, because, as I have already intimated, it cannot have effect because the only thing that could give him what he is asking would be a serious amendment to the British North America Act itself. Personally, if such a thing were done, I do not believe any good could be served either in Quebec or in any other province. My hon. friend has indicated to me and other hon. members that the western provinces would gain. I do not think there would be any advantage to us in having some temporary gain at the expense of disturbing what, since confederation, has been looked upon as a most equitable method of arriving at a fair and just representation in the house for the various provinces.

Mr. STEWART (Edmonton): I do not rise to discuss the motion. I agree with the Minister of Trade and Commerce (Mr. Stevens), that the representation as provided in the British North America Act has so far worked out very satisfactorily for all the provinces. But my friend and colleague, the ex-Minister of Justice (Mr. Lapointe), expressed a desire to discuss this motion, and I would ask permission to adjourn the debate in order to give him an opportunity to speak to the motion later. I do not wish to cut off discussion now.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, I regret very much to occupy the time of the house and delay proceedings by a further discussion of this important matter, certain phases of which have been fully covered by the Minister of Trade and Commerce (Mr. Stevens). I am sorry also that my knowledge of the French language is not sufficient to have enabled me to follow the mover of the resolution (Mr. Barrette). After listening to the clear responses made by the minister, however, I believe I have a fair grasp of the pertinent portions of the mover's remarks. It would appear from what has transpired in the last few years that the farther we remove ourselves from the time of confederation, the farther we remove ourselves from the spirit and intentions of the fathers of confederation and get down to the strict and rigid interpretation of the British North America Act. I believe before I have concluded I shall have established to the satisfaction of hon. members the fact that at least in some measure that is so.

With the few minutes at my disposal I should like to give a brief history of the question of representation in this house as it affects the maritime provinces, and the inequalities with which we have had to contend for a great many years. Representation in this house is a burning question in the maritimes to-day on account of what would appear to be a further decrease in our representation in the near future, which we claim is already too greatly reduced.

A conference of the representatives of the provinces of Canada met in December, 1910, convened by the premiers of Ontario and Quebec, to consider the representation of the maritime provinces in the parliament of Canada. This question was discussed at considerable length, but no decision was reached.

A further conference was held in October, 1913, at Ottawa, to continue the study of the question of representation and other matters. A resolution was moved by the premiers of New Brunswick and Prince Edward Island:

> That, in the opinion of this conference, the representation granted to the maritime provinces at the time they respectively entered confederation should be restored and rendered irreducible.

After considerable debate, this resolution was withdrawn and another substituted to the effect that an amendment to the British North America Act be sought providing an irreducible minimum in the representation of the maritime provinces of eighteen for Nova Scotia, thirteen for New Brunswick and six for Prince Edward Island. This also was withdrawn, and a resolution dealing with the problem of Prince Edward Island was introduced. Finally, the conference passed the following:

> Resolved, that this conference expresses the opinion that, not representing the provinces for the purposes of this matter of representation, it declines to take any action in regard to it.

At this conference two memoranda were presented, one by the premiers of Nova Scotia, New Brunswick and Prince Edward Island, and the other on behalf of Prince Edward Island, urging its special claim. At that time, 1913, as a result of the census of 1911, Nova Scotia's representation had been reduced from eighteen to sixteen, New Brunswick's from thirteen to eleven, and Prince Edward Island's from four to three. The representation of the western provinces had increased according to their population.

One result of the conference was an amendment to the British North America Act, 5-6 George V, chapter 45, providing that "notwithstanding anything in the said act, a province shall always be entitled to a number of members in the House of Commons not less than the number of senators representing such province." This enabled Prince Edward Island to retain a fourth member.

For a moment or two I should like to speak concerning what we claim is the loss of a federal member from the province of Nova Scotia, despite the present method of establishing the unit of representation for each of the provinces of Canada.

The population of Nova Scotia increased from 1911 to 1921 by 31,499, Quebec's population increased at a relatively larger rate, so that the unit of representation after the 1921 census became 36,283. Nova Scotia's representation in the House of Commons was therefore reduced from 16 to 14. The population contained 33,965 more than was necessary to give fourteen representatives, but because we had fallen 2,318 below the fractional part, not exceeding one-half of the whole number required to entitle the province to a member, our population to that

extent was disregarded, and we suffered the loss of one member. Nova Scotia could not retain its members, as Ontario did, under subsection 4 of section 51 of the British North America Act, whereby no reduction can be made unless the proportion which the population of the province bears to the total population of the dominion be diminished by one-twentieth part or upwards.

It may be difficult to overcome an effect such as this, but it is a fact that there are 33,965 persons in Nova Scotia unrepresented in the House of Commons while there are in Canada, outside of the maritime provinces ninety-six electoral districts returning members with less than that population within their bounds. The membership for Nova Scotia cannot be reduced below ten, the number of our senators. But if by the increase of population in Quebec our representation were lowered to this minimum, it would mean a total reduction since confederation of nine. This is a condition which is being rapidly approached. Had the unit of representation, instead of being 36,283 been 36,125, a difference of 158, Nova Scotia would have been saved another representative, and instead of having fourteen members in the House of Commons would have had fifteen; that is, if the population of Quebec had been less by 10,287 persons the unit would have been so reduced.

By the British North America Act, section 51, subsection 2—

> There shall be assigned to each of the other provinces such a number of members as will bear the same proportion to the number of its population (ascertained at such census) as the number sixty-five bears to the number of the population of Quebec (so ascertained).

Quebec is defined by this act, section 6 as follows:

> The part of the province of Canada (as it exists at the passing of this act) which formerly constituted respectively the provinces of upper Canada and lower Canada, shall be deemed to be severed, and shall form two separate provinces. The parts which formerly constituted the province of upper Canada shall constitute the province of Ontario; and the part which formerly constituted the province of lower Canada shall constitute the province of Quebec.

That is, the population to be taken is the population of the territory known as Quebec at the passing of the British North America Act. But the population of Quebec which has been taken as the basis for the unit of representation since 1900 is the population of that province as originally constituted, plus the population of the extensions made by chapter 3 of the acts of 1898. It is now possible from information at hand to ascertain just what population was counted in these added territorities, for they contain all of Abitibi, the district of Labrador, and what is known as part of east Maine, all that territory north of the height of land, part of it being traversed by the National Transcontinental Railway. In extending the boundaries further in 1912 the territory then given to Quebec was excluded in considering the population forming the unit of representation but the population added by the Act of 1898 is included. A statement from the dominion statistician shows that there were 13,644 people in this area. These should not have been counted in determining the unit of representation. Excluding them, the unit becomes not 36,283 as used, but 36,073. This figure divided into the population of Nova Scotia, 1921, gives 14 and a fractional part, exceeding one-half of the whole united number by 778 and entitling this province to another federal member. The representation in the House of Commons from Nova Scotia, as fixed by the Redistribution Act, 1924, should therefore have been fifteen members. The province was under-represented in the last parliament by one member and will be in the next unless immediate steps are taken to correct this error.

Now let me refer you to some remarks of the fathers of confederation. I begin with a statement by Sir John A. Macdonald in the parliamentary debate on confederation in 1865:

> By adopting the representation of Lower Canada as a fixed standard—as the pivot on which the whole would turn—that province being the best suited for the purpose, on account of the comparatively permanent character of its population, and from its having neither the largest nor the least number of inhabitants.

But instead of the population of Quebec being "comparatively permanent" in its character it has shown a relatively large increase and is overflowing into territory which did not form part of its original area. Taking the original provinces into consideration, Nova Scotia has increased in fifty years 35.8 per cent, New Brunswick, 35.2 per cent, Quebec, 98.17 per cent, and Ontario, 80.99 per cent. Quebec, therefore, has shown the largest relative percentage of increases of the four original provinces and is the least stable in character instead of being comparatively permanent.

Gray, in his account of the conference at Quebec, states:

> Thus at the first inception on entering into the union, population was not intended to be held as the only rule for representation. Though taken as a guide, the apportionment must be more or less arbitrary. Existing arrangements, territorial and other considerations must be taken into account, and modifications to suit

circumstances necessarily made: but after entering the union, future changes of the entire representation were to be governed by that principle. . . The conference, therefore, while taking population as the basis, and laying down that strictly as the rule, acted upon the principle that in the first instance territorial area and local circumstances must also be considered.

The memorial which was presented at the interprovincial conference in 1913 on behalf of the three maritime provinces forms substantially their claims to-day. The memorial reads:

The question of the legal right of New Brunswick and Prince Edward Island to retain their original representation was referred to the Supreme Court of Canada in 1903, and was decided against these provinces. On appeal to the privy council the answer of the supreme court to the question submitted was held to be correct.

We must bow to this decision so far as the strict interpretation of the written contract is concerned, but this was not the expectation and belief of the delegates at the time of the negotiations of the terms of union, for the Honourable George Brown, in moving the resolution fixing the number of representatives which each colony should have in the house, stated: "The practical result will be that while Lower Canada certainly will not be less and the lower provinces may increase in population, they cannot decrease in the number of representatives. It keeps the house within a reasonable limit."

And in a speech delivered at Sherbrooke in 1864, shortly after the Quebec conference, Hon. A. T. Galt had said:

We have supposed that the population of Lower Canada, being tolerably equable in its character, would afford the best basis. But having respect to the rapid increase of Upper Canada, we think the lower provinces should not be reduced if they do not increase in the same ratio. Therefore, the lower provinces would have the same as they have now unless in the very improbable case of any one falling off by five per cent or more—that is, a decrease relatively to the whole federation.

Representation by population, while accepted as a guiding principle in fixing the representation of each province, in the dominion parliament, was intended to be made subservient to the right of each colony to adequate representation in view of its surrender of a large measure of self-government. In consideration of surrendering its independent colonial status, each colony was entitled to such a representation in the federal parliament as would be sufficient to guard that right.

A self-governing colony was something more than the number of its habitants.

The principle that population was not the sole consideration in fixing representation was recognized in the cases of Manitoba, British Columbia and Prince Edward Island when these provinces respectively entered the union.

Manitoba, with a population less than one unit of representation, was given four, with a provision that after the census of 1881 its representation should be "readjusted" under the terms of the British North America Act.

The census of 1881 showed a population of sixty-two thousand two hundred and sixty, which would have entitled it to three members, but it was "readjusted" up to five.

British Columbia with a white population of less than ten thousand and a total population not exceeding forty thousand when it entered Confederation, in 1871, was given six members as an irreducible minimum. In 1881 it had but two units of representation and in 1891 four units.

Prince Edward Island obtained six members upon entering confederation with but five units of population, passed the census of 1881 in the same condition, but, not being safeguarded as was British Columbia, was reduced to a representation of five after the census of 1891.

It may be said that in each of these cases there was an expectation of such increase as would in time bring all the provinces upon the basis of representation allowed upon entering confederation. Admitting such to be the case, it goes to show that the splendid optimists who made confederation thought only of readjustment upwards and not downwards.

When the maritime provinces entered confederation it was impossible for them to have foreseen the extent and effect of the development of western Canada. They never imagined that in the days to come the growth of the west would strip them of their influence in the councils of the nation. Though the times were not over prosperous, they contributed their share to the cost of purchasing the lands from the Hudson Bay Company and equipping them for settlement; bore their part of the cost of Canada to the Canadian Pacific Railway and all the other vast expenditures that went to link together the far-flung provinces of Canada and to convert the wilderness into thriving communities out of which have developed the splendid prairie provinces of to-day. But most of all, they gave their sons and daughters to the west. From Manitoba to the Pacific coast the maritime provinces people form an important element of the population who have played no small part in the development of these new lands.

All these contributions the maritime provinces have cheerfully made in the interests of Canadian unity and progress; but they feel it a cruel exaction of the strict letter of the bond which will impose a lasting penalty upon them for the sacrifices they have made in such a cause.

I appeal to this house, Mr. Speaker for unity and justice in this matter. This resolution may not be the appropriate time to express our views on this question, but as it would appear that this may be the last opportunity to present our case before the redistribution bill is brought into the house and passed I appeal to this parliament for a spirit of unity and fair play with respect to the representation of the maritime provinces in this house which has suffered so badly. I feel that we have every just right to put forward this claim, which I have humbly endeavoured to do in the interest of the province from which I come.

Hon. P. J. A. CARDIN (Richelieu): I think it is becoming apparent that the existing representation of the province of Quebec in

the House of Commons is not adequate, and that a change might be sought in the near future. I do not contend that the resolution which is under consideration is the proper mode of attaining that purpose. I admit quite frankly and without hesitation that the argument of the Minister of Trade and Commerce appears to me to be perfectly correct and in accordance with the true interpretation of the statute. I do not think that the mover of the resolution (Mr. Barrette) had in mind changing the system of determining representation in the House of Commons; he only wanted to make an adjustment for the present owing to the inadequacy in practice of the British North America Act.

It is said that the representation has been settled as it now is with a view to providing a safeguard for the province of Quebec. It has turned out, however, that this safeguard has worked against the province of Quebec. The law has not fulfilled the expectations of the fathers of confederation, because at the present time the province of Quebec finds itself in an unfavourable position when that law is carried into practice. This is not the fault of anyone in this house; it is the fault of the fathers of confederation, who made the mistake in making their estimation of what would be the result of their legislation and what the growth of population in the different provinces might be. One can readily understand that it is not fair that a member should represent a constituency in the province of Quebec on the basis of a population of 44,000 while a member representing a constituency in the province of Ontario does so on the basis of 41,000. As I have said, however, the remedy is not to be found in the resolution which has been presented to the house by the hon. member for Berthier-Maskinonge (Mr. Barrette). As has been said, when the redistribution bill was presented to the house, an amendment to the British North America Act would be required to achieve the aim of the hon. member, and I think the whole speech of the hon. member for Berthier-Maskinonge was based on a wrong interpretation of the British North America Act and of the resolutions passed in 1864 or 1865, as interpreted by Sir Hector Langevin. The true position was placed before the members at the time by Sir Henry Joly, and the argument made by him was perfectly correct and in accordance with the true interpretation of the resolutions and of the different sections of the British North America Act. When Sir Hector Langevin undertook to reply to Sir Henry Joly and to try to dispel the fears he had expressed, Sir Hector Langevin was entirely wrong, and the text of the law would not justify the interpretation which he gave the resolutions at that time. Sir Hector Langevin had based his whole argument, in his reply to Sir Henry Joly, on section 52, which empowers parliament to increase the number of representatives of the different provinces; but the mistake he made was this, that section 52 could not be interpreted as a contradiction of section 51. Section 51, subsection 1, provided that Quebec should have a fixed number of 65 members. A fixed number of 65 members means that the number cannot be increased or decreased, and section 52 cannot be interpreted as meaning that the representation of the province of Quebec can be increased when section 51 declares that it cannot be increased and that the number of 65 members is fixed. The whole argument of the hon. member for Berthier-Maskinonge is based on the observations made at the time by Sir Hector Langevin, whose argument was based upon an error and a wrong interpretation, a supposed contradiction between section 52 and subsection 1 of section 51. That is the whole question.

Apart from the question of law, I think it is well that all members of the house should keep in mind and give their best attention to the possibility of going into the matter on another occasion, with a view to providing for a change in the British North America Act, because, according to the calculation placed before the house, before very long there will arise a situation which will be unjust to the province of Quebec. I think it is the duty of all hon. members of this house, who are desirous of preserving that harmony that has always existed in the relationships of the citizens of the various provinces of Canada, to study this question seriously, and when the next opportunity presents itself to find a better and more equitable basis for representation of the province of Quebec in the House of Commons.

On motion of Mr. Stewart (Edmonton) the debate was adjourned.

## PRODUCTION AND DISTRIBUTION

### PROPOSED INVESTIGATION OF SPREAD BETWEEN PRICES OF RAW PRODUCTS AND MANUFACTURED GOODS

Mr. ROBERT McKENZIE (Assiniboia) moved:

That, in the opinion of this house, an immediate inquiry should be made under the provisions of The Research Council Act, chapter 177, R.S.C., 1927, or by other means, into the

causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products.

He said: In presenting to the house the resolution which you have just read, Mr. Speaker, I do so because I am firmly convinced that in many instances an injustice is being perpetrated upon our people, which has the effect of bringing the present depression to bear more heavily than it need bear, particularly upon the farmers and the labouring classes. In the second place, I find that there is throughout the country a demand that the government provide means for the most effective relief possible by enabling the people to buy their necessities as cheaply as they can, discarding all handicaps that have a tendency to make living expenses higher than they ought to be. In many instances our farmers and labouring classes particularly find the cost of living bearing more heavily upon them than it has ever done previously. This is due largely to the disastrous fall in prices in the last few years of those commodities which the primary producers have to sell in the markets of the world, and also the fact that there is not a similar decline in the prices of manufactured products.

I go to a relief officer in any part of the country and ask him about relief matters, and at once I am told that one of our greatest needs in relief work is clothing; and I ask myself why it is that clothing is so badly needed when all our products are at such low prices. The only answer I can make is that the price of clothing of all kinds is too dear when compared with the purchasing power of the individual. This fact is the reason for this resolution.

Some months ago I sent a letter to the weekly and daily press throughout Canada, almost from one end to the other, in which I drew attention to the wide spread between the price received by the farmer for his raw wool and the price he had to pay for underwear. I dealt with just that one article, but I received letters from people all over the country. At that time wool was selling at from four to four and one-half cents per pound and people were having to pay from $2 to $4 per pound for the same wool manufactured into underwear. From the many letters which I received I learned that there were many people like myself who were wondering why there was such a wide spread between the price received for raw wool and the price paid for the finished product. Many people had arrived at the same conclusion as myself, that someone was making a high profit. One man evidently had settled in his own mind the reason for this wide spread; he seemed to have a solution, nevertheless it was hard for me to understand why four cent wool should become two, three and four dollar wool when manufactured into underwear. I have most of these letters before me and I shall give a few extracts to show the feelings of different people throughout the country in connection with this very matter.

One man wrote that he had purchased a pair of trousers for $10 the weight of which was two pounds. He said they were simply trash in comparison with trousers he had bought in Scotland for fifteen and sixteen shillings. I wonder why the imperial conference did not do something to enable the clothing manufacturers in the old land, who could produce at less than half the cost of the manufacturers in Canada, to send their goods into this country.

Another man wrote that his sheep were of the Rambouillet breed which produces a very fine grade of clothing wool. He received six cents per pound for this wool, a premium of one or two cents over the market price. He went out and bought three ounces of fine yarn at twenty cents per ounce; in other words, he exchanged ten pounds of wool for three ounces of yarn. That would seem to explode the argument that high wages is the reason for this spread, because we know that wages make up only a small part of the cost of converting raw wool into yarn.

Another man wrote and said that four years ago he had bought one hundred per cent woollen underwear for $3.50 per suit; at that time he had sold his wool for twenty-five cents per pound, but this year while he had to pay the same price for his underwear he could get only four and one-eighth cents per pound for his wool.

Mr. SHAVER: Does the hon. member think that that is a true statement, that underwear is selling to-day at the same price as it sold for three years ago?

Mr. McKENZIE (Assiniboia): These letters were written ten months ago, and at that time the writer said woollen underwear cost the same as it did three years ago.

Mr. SHAVER: Does the hon. gentleman think that that is a correct statement?

Mr. McKENZIE (Assiniboia): The hon. member will have a chance to explain, if he wishes. He is not from western Canada, and this letter was received from a resident in that part of the country.

Another man sent me a purchase slip covering two suits of underwear at $2.95 per suit, their weight being thirteen ounces. This would show that the wool in the manufactured state was selling at over $3 per pound.

All this was a year ago; but let us see what the conditions are to-day. I say to my hon. friend that they are very much worse to-day than they were a year ago. A farmer in my own part of the province of Saskatchewan sent 600 pounds of wool to Winnipeg through the cooperative organization and at the same time ordered some blankets, the cost of which was to be charged against his wool. To his surprise he received word that his wool was too dark in colour and that owing to the deplorable state of the market no advance could be made on his shipment either in cash or in credit. That is the condition which exists to-day. When I received these letters raw wool was selling at four or five cents per pound, but to-day some of our farmers are receiving only two and two and a half cents per pound. The relief officers still report that the greatest need of the people to-day is clothing, and the price of this manufactured product is very little below what it was three or four years ago when the farmers were receiving twenty-five cents per pound for their wool.

I am frequently asked whether conditions in western Canada are better to-day than they were last year. Last year if you spoke to almost any farmer in western Canada about the conditions which prevailed he replied that things would not be too bad, even with the low prices, provided he could get a good crop; he felt that he would be able to pull through. Taken on the whole, the crop in western Canada was quite good; in some parts of my province it ran forty to forty-five bushels per acre in wheat, but because of the prices he received for his crop the farmer is even poorer to-day as far as money is concerned than he was a year ago. It is true that there is plenty of food for everybody, but money is out of the question.

Last year our people were hoping that the imperial conference would surely do something to relieve conditions, that it would permit the good quality clothing which is produced at lower prices in the old country to come into Canada, the type of clothing so badly needed by the people of this country. This conference, to say the least, has gone into the limbo of forgotten things, with no benefits so far to our farmers. Even the preference on wheat and the bacon quota have been of no value whatever to them.

In the replies which I received to the letters which I sent to the press, I was quite frequently asked: Why do you mention wool? A man from British Columbia would say: Conditions are just as bad with regard to our fruit, our fisheries, and people in other parts of the conntry would mention other products in regard to which they said the situation was just as bad as that of wool. My reason for mentioning wool was that in Saskatchewan, the province from which I come, during the hard winters which we have there, people require woollen clothing and they find it almost impossible to buy it at the prices which prevail. That is why I said that wool was too cheap, while on the other hand woollen clothing was too dear.

Let me put the situation in this way. In western Canada to-day we have farmers who do not shear their sheep because it does not pay them to do so, especially if they have to hire a man to shear them; the wool will not pay for the cost of shearing. On the other hand, those farmers and their families are not able to buy woollen clothing because it is too dear. Under such conditions I say to the government that something must be done. Surely they will not permit such a situation to continue without endeavouring to do something towards relieving it.

My resolution, however, does not deal with wool alone; it deals with products in general, and I have no doubt some adjustment is just as urgent in many other lines. In fact, I have with me newspaper clippings indicating that many other people are as firmly convinced as I am that there is a need for adjustment in many other lines. I have under my hand a clipping which I took from the Farmer's Sun of December 8 last, which says:

> Farm price declines fail to aid consumer.
> Burden of debt doubled, but, while producer gets less, distributors maintain same spread.
>
> All interests not bearing same burden.

Then the article goes on to show the spread between the price of wheat and the price of flour and bread. It deals also with something which is quite noticeable in the cities, and that is the difference between the price the farmer receives for his cattle and the prices people have to pay in city shops for their meat. It also mentions the high price of milk, retail, in comparison with what the farmer receives. Then it deals with another subject which was dealt with in a resolution introduced earlier to-day and which the government is evidently going to send to the banking and commerce committee. I refer to the question of the burden of debt. It says:

> Farm prices have been cut in half.

That is hardly a correct statement, because they have been cut in three and in some cases even four.

Debts—mortgages, interest rates, remain the same.

I believe the time has come when something must be done with regard to the question of debt and interest.

I have under my hand a clipping, a letter sent to the Winnipeg Free Press and signed by John Farmer of Sennett, Saskatchewan. I want to read a portion of it because it deals directly with the resolution which I am presenting. It appears in the issue of December 3, 1932. It is headed:

800 pounds of wheat for eight ounces of tin.

This gentleman says:

Since the imperial conference I have had occasion to order extra parts for a cream separator, which I have been using for the past 16 years. The parts required were a tin float, a tin cup, in which the float works, and three small rubber rings.

Not knowing the price of these articles I enclosed one dollar with my order, deeming it sufficient to pay for both extras and postage.

The articles ordered from a house in Winnipeg came by parcel post with a c.o.d. charge against them for $2.91. This amount, plus the dollar that I had sent with my letter, covered the cost of the goods and the postage and money order fee.

The total cost to me was almost four dollars. The two articles of tin, together, weighed exactly 8 ounces.

I understand that tin is a product of our own country, and taking this into consideration along with the current prices of the commodities that I had to sell in order to raise the money to pay for repairs for my cream separator, the following rather startling facts were revealed. At 30 cents a bushel, I would have to exchange 800 pounds of wheat for 8 ounces of tin; or 1,600 pounds of barley at 12 cents a bushel; or 1,700 pounds of oats at 8 cents a bushel; or 40 dozen of eggs at 10 cents a dozen; or 33⅓ pounds of butter at 12 cents a pound. The labour and expense incidental to producing these commodities would, I think, more than offset the labour and expense of manufacturing a float and a cup out of 8 ounces of tin.

The prices quoted above were current at the time of ordering the separator parts, which was in the early part of October, 1932.

Examples of this kind should, I think, be brought forcefully to the attention of our government. Do they realize the weight of the unjust burden placed on the farmers while they are protecting the manufacturer?

Then the letter goes on to deal with the matter of protection about which I may have a little to say later on.

Many anomalous conditions exist throughout the country. For instance, we have oats selling in Saskatchewan at seven cents a bushel and even less, but oatmeal is selling at five cents a pound. A man would have to sell about thirty cow hides at present prices to buy one pair of cowhide boots. Wool is selling at about two cents a pound while underwear is in the neighbourhood of $3 a pound. Just consider the fact that a man would have to care for, house, feed and shelter the year round and shear, if he thought it was necessary, thirty sheep in order to get enough money from the wool to buy one suit of underwear. Surely that is a condition which ought not to be permitted to exist. A year ago I brought to the attention of the house another anomalous condition with regard to a man in western Canada who took a calf skin into a store where they gave him fifty cents for it. He bought a pair of shoelaces which cost him twenty cents, and a clerk in the store figured out that if he were to buy back that whole calf skin in the form of shoelaces, it would cost him something over $70. Surely that is a condition about which it should be possible to do something.

Wheat at present is selling retail at country elevators in western Canada at thirty cents a bushel, while puffed wheat is worth more than $30 a bushel. Surely something can be done in regard to such a situation. I believe the government are aware that something should be done in connection with this matter. I was pleased last year with the remarks of the Minister of Agriculture (Mr. Weir) when he spoke regarding agricultural conditions and the proposed appointment of a marketing board. His words appear at page 3400 of Hansard for 1932:

I assure hon. gentlemen that we have given more attention and thought to this question than to any other,—

Referring to the marketing board.

—and in this connection I have received excellent cooperation from hon. members irrespective of party. Because of the reasons I have stated it has been thought best to appoint a commission to study the whole problem of marketing, and the government intends to appoint such commission to study this question, especially in connection with export marketing. It will study the problem of supply and demand and perhaps more particularly the spread in the processing of the major farm products.

I regret the board has not been appointed, and particularly that no action has been taken concerning the last part of the minister's words I have just quoted. I have never been very much in favour of the marketing board, except in so far as it would have power to investigate these processing spreads. I want to emphasize again that something must be done; western Canada has practically reached the breaking point. People cannot go on this way very much longer. If in time of war it was necessary to create

statutes preventing undue profits; why not do it now? I believe it is more necessary to-day than it was during war times.

I may be asked for my suggestion. I do not believe it necessary to make any. The resolution standing in my name states specifically that the matters to which I have referred should be placed in the hands of the body appointed for that particular purpose, namely for the purpose of investigating conditions such as these. The investigations could therefore be made without cost to the government. The research council has the power to make investigations and to summon any persons they may wish to give evidence before them. I know there are people who are satisfied that if we had proper tariff legislation—and I must confess I am one of them—conditions would be greatly improved. A reduction in tariffs would help to relieve matters. Others say we cannot have a proper adjustment unless there is greater control of currency. That is a factor which may be of importance. Then there are those who say that reduced tariffs and control of currency would be of no use unless an attempt were made to control the monopolies, combines and cartels which control industries to such an extent throughout the world. I do not know just to what extent industry is controlled by monopolies, but I am told that a large percentage of industries are to some extent under the control of monopolies or combines. Then there are others who say that the trouble lies in ineffective distribution and transportation, and that until these difficulties are corrected we cannot expect any relief. I would say that something must be done concerning the spread in prices, even though the government may find it necessary to take over industries, as some of our friends in the corner suggest. If it is necessary, let them do it. I am firmly convinced, however, that undue profits in all lines of industry must be curtailed, and that industrialists must not be allowed to charge more than reasonable profits.

Mr. GOTT: Does the hon. gentleman suggest that these conditions have existed only since the present government came into power?

Mr. McKENZIE (Assiniboia): Yes, certainly.

Mr. GOTT: They existed throughout the former regime.

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, rising to second the resolution introduced by the hon. member for Assiniboia (Mr. McKenzie) I wish to state that the subject matter is of vital interest to the farmers of the prairie provinces. Quite often we hear comments upon the relation of the price of manufactured goods to the cost of raw material. The hon. member who has just spoken has referred to letters he has received from some of his constituents, and from other people in various parts of the dominion. I, too, have received letters from constituents referring to the fact that while the cost of raw material is continually falling, the price of manufactured goods has not fallen proportionately. Of course there has been a fall in the price of manufactured goods, but not such as to correspond with the fall in prices of raw material. That is so not only of those raw materials which pass through many and complicated processes before they become finished articles, such as wool and woollen goods, hides and leather goods, also of goods of which the processes are less complicated.

In the latter connection the hon. member referred to wheat and wheat products, such as bread, flour and bakery products. I may be accused of wasting the time of the house, but I should like to refer to a letter I received only yesterday from one of my farmer friends who tells me that he has just received settlement for five steers. The five animals weighed 3,710 pounds, and he received for them $30,86. For one steer weighing 530 pounds he received $3.18, for another weighing 770 pounds he received $8.47; for another weighing 950 pounds, $8.76 and for two steers weighing 1,460 pounds he received $10.45. These were small steers, but he claims they were well nourished and in good condition. Marketing costs were $37.18; then, for two calves weighing 470 pounds he received $16.92, which he regarded as a very excellent price. At the same time he sold these animals he was offered $2.50 for a pig fifteen months old. Refusing the offer he slaughtered the animal, realizing therefrom 80 pounds of lard and 325 pounds of pork. Naturally he wants to know why there should be such an enormous spread between the cost of his raw material and the selling price of his products, and why the men in the towns and villages have to pay such high prices when they go to the butcher shop to buy meat.

By the same mail I received a letter from a man who had made a shipment of wool. He said he shipped 454 pounds and it was sold for $25.48; that his expenses were, for stockman's supplies, sacks, twine and dip, $9.08; freight, $7.40; operating expense, $4.54; and he received a cheque for the balance, $4.46—for 454 pounds of wool! He wants to

know why it is that he should get so little for his wool and yet have to pay so much for clothing, whether underwear or other clothing. Of course every hon. member of this house realizes that many factors enter into the question; there is the cost of distribution, overhead, wages, interest, advertising, and other almost unavoidable costs. But apart from these it seems to me that there are perhaps other factors which should be taken into consideration by the committee or the organization to which this question might be submitted.

The resolution proposed by my hon. friend reads as follows:

That, in the opinion of this house, an immediate inquiry should be made under the provisions of The Research Council Act, Chapter 177, R.S.C., 1927, or by other means, into the causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products.

I have already said that I have pleasure in seconding this resolution because I believe some very interesting discoveries will be made when such examination is proceeded with. There are two aspects of the question to which I would like to draw attention as entering into the high cost of manufactured goods. One is the unwarranted inflation of capital structures due to the interference of finance with industry. The hon. member for Labelle (Mr. Bourassa), speaking in this house the other evening, used words of this kind. He said:

I was talking recently to one of the most important business men of Montreal. I asked him "Could you point out any large enterprise in Canada that in one way or another is not built upon fraud? Fraudulent processes or watered stock?" He is a very cool-headed fellow, connected with one of the largest banks in Montreal. He thought a minute, and said, "There may be, but I know none.'

This quotation is from page 1726 of Hansard of February 2. Quite recently the Montreal Witness contained an article by Doctor D. L. Ritchie. The article was headed "Astounding." Part of it reads as follows:

Recently in one of his public speeches, Mr. Taschereau made the startling, indeed, the astounding statement that the power, paper and pulp companies of eastern Canada with an original capital of $30,000,000, had within a few years enlarged and financed themselves into a capital of $714,000,000. The mere statement takes one's breath away. The frog that dreamed of blowing itself as big as a cow is not in it with such inflation; but, when one thinks of all that it means to-day and to-morrow in the lives of thousands who were induced to invest in these companies, one is amazed that there is no concerted public action demanding a judicial examination of how such an inflation of capital ever came to be, for Mr. Taschereau added that in his judgment the value of that $714,000,000 was to-day not more than $25,000,000.

I think it was in November that the hon. member for Macleod (Mr. Coote), speaking in this house, quoted from some evidence given before Sir Henry Drayton's tariff commission of 1919 by the late Senator McSweeney. One paragraph reads as follows:

The directors in Dominion Cotton were directors in Dominion Textile; A. F. Gault, Sir Rodolphe Forget, Sir Herbert Holt, and the others. And this stocks pays them, according to the investigation held in Ottawa, I think before Pringle, 312 per cent annually. In other words, stock which cost them $10 a share is now in this depressed market worth $1,620. Can you find any gold mine in the world doing better than that?

These are all illustrations of the influence of the interference of financial men and corporations with industry, first of all by gross inflation of capital structures, and then by making demands upon the management of industry to earn dividends thereon.

The hon. member for Assiniboia has already referred to the high protection now afforded to manufacturing interests in this country. It has been frequently said in this house by the proponents of high protection that no advantage is being taken of that protection by the manufacturers. That statement cannot be correct; it would be contrary to human nature. In order to obtain all that the traffic will bear, our manufacturers have been demanding and receiving higher and higher protection all the time. I therefore support the resolution, in the hope that some good may result from the investigation.

Mr. E. J. YOUNG (Weyburn): There is an expression that I have used in this house on former occasions, taken from Bastiat, and I want to repeat it because it should be graven on the mind of every man in this house. It is this:

Study all economic questions from the consumers' standpoint, for the consumers' interests are the interests of the human race.

Every improvement in the methods of production or distribution of goods should result in lower prices to the consumer. If it does so result it benefits the whole human race—the consumer, which includes everybody, because he has more goods available for consumption; the producer, because he has more employment in producing that greater quantity of goods.

Let me give you an example. Take the printing industry. Prior to the invention of printing, the transcribing of the written word was a slow and laborious process, and not

many men were employed in it. Their work was physically painful; their wages were small, and very little reading matter was produced and made available to the people. Then someone invented printing. What was the result? Printed matter became so cheap, that the advantage of the new invention passed on to the consumer in the form of cheaper printed matter resulted in an ever greater and greater demand for the printed word. Instead of a few hundred men being employed in transcribing the written word thousands nay, millions of men were employed, and the wages they received were infinitely greater than the wages of the old-fashioned hand writers. People throughout the world were enlightened, received the benefits of knowledge, which can be traced directly to the invention of printing and the passing on to the consumer of the benefits of the invention. The men who profited by the process, although they made not nearly so much profit per written sheet, found their aggregate profits enormously greater than they otherwise would have been. Suppose those in charge of that industry had said: "We will not pass on this advantage to the consumer; we will appropriate to ourselves all the advantage of the new invention, charge as much as we ever did for the written page, and put the profit in our pockets,"—what would have been the result? No increased demand for printing, no increased number of people employed in the industry—a larger profit on each individual sheet to be sure, but the aggregate profits would not have been as a drop in the well compared with what they are to-day.

Take another example, the invention of the loom. Before the time of that invention cloth was made by a slow and laborious process requiring a great amount of human labour to produce it, so much, indeed, that people could not afford many clothes, and what they had were of the coarsest. Someone invented the loom. Those engaged in the industry, seeing this new machine coming and throwing them out of employment said, "This machine is going to take away our livelihood", and they proceeded to wreck the machines and had to be restrained by law. What happened? They soon discovered that the invention of this new process was cheapening the production of cloth so that now everyone was buying cloth; the demand increased so enormously that more men than ever were employed in the industry. The benefit was passed on to the consumer. All humanity profited by the advantage of having cheaper clothing. Those engaged in the industry profited because they had more work and better wages, and those who owned the industry found that their profits were greater in the aggregate, though they might be less on each piece of cloth. This, then, we can take as the rule: that wherever the advantage of an improvement in method or process of production or distribution is passed on to the consumer in the form of lower prices, all humanity benefits; but whenever an attempt is made to retain that advantage to one person or group of persons, whether capital or labour, whoever they may be, the result is less employment for the human race and nothing added to the aggregate wealth of the world.

Improvement should always result in lower prices. When an improvement in any process or the invention of a new machine does not result in lower prices, then one of two things is true: either that machine is not truly a labour-saving device, or somebody is taking too heavy a toll and profiteering by it. It is quite conceivable that a new machine or a new process of producing a certain article might be invented, and that the labour cost required to produce that machine might be greater than the labour saved by the use of it. But that does not often happen. Generally there is a real saving in labour, and unless it is passed on to the consumer in the form of lower prices, the result is less wealth for the human race, less employment, smaller profits for those interested in the industry, and more misery in the world.

To-day the tendency throughout the world is to keep prices up. Whenever any institution or industry installs new machinery or improves its processes, the last thing they think of is passing the benefit on to the consumer; they want to retain it to themselves; and in order to conceal their profits, as my hon. friend from Last Mountain has said, they call in the high financier. They water their stock and expect the industry to pay profits on that water. As a friend of mine once put it, the greatest need of Canada to-day is some means of protecting her good business men from her big business men. The good business man improves his methods; the big business man sees the possibility, because of these improved methods, of increasing profits if he can get control of the industry—and he does so. He gets control and then proceeds to find ways and means of keeping prices up, retaining for himself and his associates the advantage of these inventions which should be passed on to the consumer.

In the days of our grandfathers a man could build a flour mill on the side of a stream and grind the people's wheat into

flour. At that time we had a law which provided that no miller could take more than 20 per cent toll on the grain he ground. A farmer could take 187½ pounds of wheat to the mill and for that receive 100 pounds of flour, 50 pounds of bran and shorts, leaving 37½ pounds with the miller as his toll. And at that rate many millers laid the foundations of substantial fortunes. To-day I live within one hundred miles of one of the most modern mills in the country, and it takes 540 pounds of wheat to buy 100 pounds of their flour, and I get no bran or shorts. That is in one modern up to date mill. Not very far away in another direction a farmer has erected a small mill and he will grind wheat and deliver it in the same town at the rate of 100 pounds for 360 pounds of wheat. This would seem to indicate that the larger the mill the higher the prices they have to charge. I cannot believe that, with these immense mills with all modern machinery and with labour costs reduced to a minimum, it is necessary for them to charge such prices. If it is, then I say they are not economical, and I think it would be very interesting for the government to find out exactly why it is that with all these modern inventions and all these improvements in processes of production and in methods of distribution, we find ourselves paying ever higher and higher prices instead of lower prices. I do not think it would be a very expensive thing to get at the facts; it would be merely a matter of gathering of statistics to find out the cost of producing and distributing goods: What are your capital costs? What are your labour costs? What are your selling costs? What do you pay in rent? What do you pay for the lease of land, and so forth? These facts can be easily discovered. Let the information be gathered in the form of statistics and it is not a difficult matter then to interpret them. If we got such information I believe we should find that in many industries we are paying far more than is at all necessary for the products we buy.

Mr. C. E. BOTHWELL (Swift Current): This resolution asks for an inquiry under the Research Council Act. There is ample power under that act to inquire into the subject under discussion. Under section 10(c) of the act the council is empowered to undertake in such a way as may be deemed advisable researches with the object of improving the technical processes and methods used in the industries of Canada, and of discovering processes and methods which may promote the expansion of existing or the development of new industries. And under section 10, subsection (c), paragraph (vii) the council has power to carry out researches, the object of which is to improve conditions in agriculture.

Under both these sections I think there is ample power, and the illustrations given by those hon. members who have spoken before me, as well as the few illustrations I will give, will, I think, impress upon the government the necessity of having an inquiry.

A few days before leaving for Ottawa to attend this session, I saw a demonstration of General Motors in the city of Swift Current. They had three or four different makes of cars there, and one of the representatives of General Motors seemed to think that a Chevrolet car was the kind of car that the farmers in that district should buy. It would represent a price of around $900, a reduction of $400 odd as compared to what it was a few years ago. For that car, priced at $900, the farmer would have to pay 3,600 bushels of wheat, and when that car was selling for $1,300 or thereabouts, 3,600 bushels of wheat would have bought three of them.

In Montreal this past summer harness leather, but not made into harnesses, was worth 40 cents a pound, and at the same time cow skins were worth a cent a pound. Shoes were selling at from $7 to $10 a pair, while calf skins were selling at 10 cents apiece. The hon. member for Assiniboia spoke about wool and the cost of the articles manufactured therefrom. A few days ago there appeared in one of the western papers a letter from a gentleman in the province of Saskatchewan, telling his experience with wool. He was offered from two to three cents a pound for his wool, according to grade, colour and so on. They could not get it much lower than that—it varied from two to three cents. He accepted that price and shipped the wool to a woollen mill in Ontario to have it made into blankets. When he received the blankets he sold them in competition with the stores and realized eighteen cents per pound for his wool, after allowing for freight on the wool from Saskatchewan to Ontario and on the blankets from Ontario to Saskatchewan.

Last summer a farmer went into his home town to get a pair of shafts for his horse rake. He went to the Massey-Harris agency, where he was quoted $4.50. He thought it was too much and said he would go to the planing mill and get them made. The agent offered to order them from the mill for him, but he said he would do it himself. He went to the mill and had the shafts sawn into the right shape, and the completed article cost him $1. He had to drill a couple of holes

before he could use them, but I think this illustrates the great difference there is in the cost of manufacture of certain articles and the retail price. It might be interesting to note that the Massey-Harris agent told him that as they were selling very little new machinery, they had to charge more for the parts.

Another farmer in the same district bought a set of bob-sleighs for which he paid $55. Last winter he thought he would try to make up a set. He took his own timber out of the bush, had it sawn, and made up the sleighs. He bought some bolts and used the shoeing off some old sleighs. His actual outlay was $4.25, his time being put in for nothing. While it may not be just as good a set as he could have bought, they answered the farmer's purposes just about as well as the set for which he had paid $55. The shoeing, not being new, may wear out a little more quickly, but the sleighs are very serviceable. The same farmer needed some doubletrees, and upon pricing them found that they would cost $3. He had them made up at the local mill at a cost of eighty cents, and then used some paint which he happened to have around to finish off the article.

With mills and factories properly equipped to manufacture these things, there would seem to be too great a spread between what they charge and what it costs a man to have them made in a rather crude sort of way. These illustrations would seem to prove that there is too much difference between the cost of raw material and the price of the finished product. I support the resolution because I believe that valuable work can be done by the research council along these lines.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, there are a few things which I should like to say in regard to this matter, but as it is now almost eleven o'clock possibly it would be just as well to call it that hour.

May I point out to the hon. member who moved the resolution (Mr. McKenzie) that it would be much better if instead of referring to the research council he referred to the bureau of statistics. The hon. member for Weyburn (Mr. Young) spoke to the point when he said that much of this information is already available and needs only to be compiled. The hon. member for Swift Current (Mr. Bothwell) quoted a section of the Research Council Act, but that refers obviously to scientific research.

Mr. BOTHWELL: Also to agriculture.

Mr. STEVENS: That is scientific research into agriculture. For instance, the council is carrying on inquiries with regard to honey, and so forth, but it is scientific research. The bureau of statistics is equipped with a staff of statisticians and economists who could handle a question of this kind much better.

There are some observations which I feel should be made in regard to this matter, and perhaps it would be as well to allow the resolution to go over for a few days. It will be up again, and I can assure all my hon. friends who have spoken that my observations on that occasion will be sympathetic and not in any sense antagonistic to the object they have in view.

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

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## Tuesday, February 7, 1933

The house met at three o'clock.

### DOMINION LANDS ACT

Hon. THOMAS G. MURPHY (Minister of the Interior) moved:

That the orders in council which have been published in the Canada Gazette between the 17th day of December, 1931, and the 9th day of September, 1932, in accordance with the provisions of section 75 of the Dominion Lands Act, chapter 113, R.S. 1927, and which were laid on the table on the 7th day of October, 1932, be approved.

Motion agreed to.

### TRADE RELATIONS WITH RUSSIA

On the orders of the day:

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, the Toronto Star of February 6 contained an article to the effect that G. G. Serkau had said that his syndicate, strengthened by the addition of much capital, was now prepared to go ahead on its own, financing the Russian barter by itself and asking nothing of the government except a guarantee that once the barter was arranged the duties and regulations would be kept stable. I should like to inquire of the government whether or not such an offer has been received from the syndicate, and, if so, what they propose to do about it.

Hon. HUGH GUTHRIE (Minister of Justice): I think I can state definitely that no such offer has been received.

Mr. GEORGE W. McPHEE (Yorkton): In connection with the Russian deal, did the government or any member thereof have knowledge last October of the proposed deal

of the Serkau-McDonald syndicate with Russia, and if so, was the subject matter of same communicated to the Prime Minister?

Mr. GUTHRIE: The hon. member should put his question upon the order paper.

Mr. McPHEE: Could I not have an answer to my question?

Mr. GUTHRIE: If the hon. member will place his question upon the order paper it will be answered.

## TARIFF BOARD—APPOINTMENTS

### MR. JUSTICE SEDGEWICK

On the orders of the day:

Mr. MITCHELL F. HEPBURN (West Elgin): Mr. Speaker, the morning papers contain the personnel of the newly appointed tariff board, naming Mr. Justice Sedgewick as chairman at a salary of $12,000. I should like to know if this is the same Mr. Justice Sedgewick who as an appointee of the Ontario government was the chairman of a commission which investigated the Ontario Hydro Commission and gave that body a complete whitewash.

Some hon. MEMBERS: Order.

Mr. HEPBURN: I have not received an answer to my question.

Some hon. MEMBERS: Order.

Mr. HEPBURN: I should like to know if this is the gentleman who acted as commissioner to investigate the conduct of the Ontario Hydro Commission? I think I am entitled to an answer.

Some hon. MEMBERS: Order.

Hon. HUGH GUTHRIE (Minister of Justice): I do not think it was the hon. member's intention to ask a question but rather to make a smart remark. I do not think the government is called upon to answer frivolous questions.

### MR. MILTON NEIL CAMPBELL

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the acting leader of the government whether the appointment of Mr. Milton Neil Campbell to the tariff board may be regarded as a non-partisan appointment or as a recommendation of the Cooperative Commonwealth Federation?

Hon. HUGH GUTHRIE (Minister of Justice): I think it will be regarded throughout Canada as a very excellent appointment.



Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Speaking for the opposition, I might say to the Minister of Justice, that we feel no more partisan appointment could possibly have been made.

## DISARMAMENT CONFERENCE

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, perhaps I will be more fortunate in having an answer to my question. I should like to know who are the representatives of Canada at the disarmament conference which has just entered upon the more important part of its work. Hundreds of thousands of Canadians have signed a petition asking the government to send the strongest men possible to this conference; the government sent two members to attend at the first part of the conference, but at the present time they are sitting in this house. Is Canada taking any part in this disarmament conference and, if so, who is representing this country?

Right Hon. Sir GEORGE PERLEY (Minister without Portfolio): Mr. Speaker, as the Prime Minister (Mr. Bennett) is not here to-day I think it would be better that this question stand in order that he may answer it as Secretary of State for External Affairs. May I remind my hon. friend that the date of the meeting of the commission has been uncertain from day to day and from week to week because of various reasons which my hon. friend can readily understand. There has been the difficulty in the far east and certain changes which have occurred in the governments of France and Germany, all of which have brought about an uncertainty as to the date of meeting. If my memory serves me right the disarmament commission itself is not sitting, the only body now carrying on is the bureau of the commission upon which Canada is not represented.

## PASSENGER TRAIN SERVICES

On the orders of the day:

Mr. JOSEPH A. BRADETTE (North Timiskaming): I should like to ask the Minister of Railways (Mr. Manion), a question concerning a persistent rumour which is circulating in northern Ontario that the passenger train service will be provided in that section by trains Nos. 1, 2, 3 and 4 via Montreal, North Bay, Cochrane and Winnipeg. I should like to know if there is any truth in this rumour.

Hon. R. J. MANION (Minister of Railways and Canals): Such matters as running trains are not discussed in any shape or form with the government. This is entirely a question of railway management. We are not asked our opinion any more than my hon. friend is asked his.

## TREATY WITH FRANCE

On the orders of the day:

Hon. FERNAND RINFRET (St. James): I am sure we are all desirous of welcoming the Secretary of State (Mr. Cahan) on his return to the house. May I ask him when we are to expect an official pronouncement on the trade treaty between France and Canada?

Hon. C. H. CAHAN (Secretary of State): It is true I have had some conversations with two French governments, one succeeding the other, regarding trade relations between Canada and France. This morning I made to the Prime Minister a full report with regard to the conversations and negotiations in which I have taken part. It will rest with the Prime Minister to make any subsequent pronouncement to the house.

## ANYOX, B.C., DISTURBANCE

On the orders of the day:

Mr. OLOF HANSON (Skeena): I should like to ask the Minister of Justice whether he has been instructed or asked by the British Columbia government to send armed boats and mounted police to Anyox, B.C.

Hon. HUGH GUTHRIE (Minister of Justice): I might say that on Sunday a communication came from the attorney general of British Columbia informing this government that there was some trouble at that time at Anyox, and stating that on account of weather conditions he had been unable to place provincial police in that district. He had attempted to do so by aeroplane. He also suggested that as there was a government fishery cruiser at Prince Rupert, it might be sent down to Anyox with, I think, four provincial police. I believe that was arranged. I have no particulars as to the nature of the trouble.

Mr. HANSON (Skeena): Has any further news been received since yesterday?

Mr. GUTHRIE: None since Sunday.



## NEW ZEALAND BUTTER

On the orders of the day:

Mr. H. E. SPENCER (Battle River): I hold in my hand letters from farmers' organizations of Water Glen and Calumet, Alberta, complaining of New Zealand butter coming into Canada. Is the government doing anything to safeguard the interests of Canadian farmers in this respect?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Last calendar year, 1932, there were entered for consumption in Canada 50,000 and some odd pounds of New Zealand butter. There was also entered in bond a quantity amounting to about 400,000 pounds. The total production in Canada of dairy and creamery butter was over 300,000,000 pounds. I simply submit these figures to my hon. friend as an answer to his question as to the necessity at this time of extraordinary action on the part of this or any other government in the premises.

## DEPORTATION OF PETER VERIGIN

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask the Minister of Immigration whether there is any reason for the very great haste and secrecy in connection with the deportation of Peter Verigin?

Hon. W. A. GORDON (Minister of Immigration): The hon. member, usually well informed, is entirely ignorant of the facts so far as the deportation of this man is concerned. There is no secrecy, no haste about it. Verigin knew months ago that he would be deported. His solicitor was so advised. Months ago this same solicitor, who is one of Verigin's followers, came before me and argued his appeal. This solicitor and counsel admitted that he should be deported and wanted only time to fix up his affairs. Months were given him to fix up his affairs and if I have anything to do with the matter, he, as an undesirable alien, as the record clearly discloses, certainly shall be returned to his country of origin as the law contemplates.

## INCOME WAR TAX ACT AMENDMENT

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

That it is expedient to continue in force until March 31, 1934, the provisions of an act to amend the Income War Tax Act, chapter 44 of the statutes of 1932, and to provide that the

persons therein described shall be liable to pay the tax thereby imposed in respect of salaries or pay paid to them by the Dominion of Canada during or in respect of the fiscal year 1933-34, in accordance with the provisions of the said act.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 20, to amend the Income War Tax Act.

Motion agreed to and bill read the first time.

## SALARY DEDUCTION ACT

### PROPOSED CONTINUATION OF DEDUCTION OF TEN PER CENT FROM INDEMNITIES AND SALARIES

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

That it is expedient to continue in force the provisions of the Salary Deduction Act 1932. until the 31st day of March, 1934, and to provide that the provisions of the said act shall apply to the indemnities of members of the Senate and House of Commons for the session of parliament which commenced on the 6th day of October, 1932.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, will the Minister of Finance be good enough to give the house an explanation of what this resolution means?

Mr. RHODES: If it is agreeable to my hon. friend I think we would do well to go into committee first, and have the explanation at that time. Otherwise our discussion would be limited.

Mr. DUFF: I am quite agreeable to that procedure, but I want to protest again against the introduction of this resolution.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Mr. RHODES: The hon. member for Antigonish-Guysborough has asked the reason for the resolution before us. I believe it is self-explanatory. It is intended to be the basis of a bill which will have for its object the continuance for one more year of the salary deductions of last year. With one exception the bill, if it is approved by the house, will be precisely the same as that of last year. The only difference is that it will contain a clause making it clear that the indemnity for the present session of parliament will be taxable for income tax purposes in the taxation period of 1933. The object of that provision will be readily apparent to hon. members. Otherwise an injustice would arise in the case of any members whose indemnities would be increased out of proper proportion to the amount of income tax which they ought properly to pay in any one income tax period.

Mr. CHEVRIER: Mr. Chairman, for the reasons I gave last year, I do not wish to be taken as in any way approving the passing of this resolution. At this stage it is not my intention to repeat my former arguments. The statements I made to the house last year will be made even more forcibly again this year. I am absolutely and irrevocably opposed to the adoption of this measure and any bill which may be founded upon it, or any bill which may be founded upon a similar resolution. I reserve my right to protest on every occasion the matter may be brought before the house, namely when the bill may be introduced, and when it appears for second reading.

Mr. POULIOT: Mr. Speaker, I rise to make some observations concerning the resolution now before us. Last year and the year before there were no very strong protests against the reductions, because we wanted to give the government a chance. However during the first part of this session hon. members of the opposition have proved that the high tariff policy of the government has caused the external trade of our country to decrease. We maintain that the worries obtaining in many homes may be traced directly to the salary cuts and that they affect internal trade. The resolution before us constitutes one of the silly policies inaugurated by the provincial government of Ontario. Without inquiry this government has followed the example set by the Ontario legislature. I should like to offer a few suggestions before the government make any definite decision in this matter; there is still time for them to change their minds.

First of all, there are eight vacancies in the Senate. The government have a majority in the Senate, and they are sure to carry their legislation through that body, whenever they think fit. What is the necessity of spending $32,000 per annum in order to fill those vacancies? The government could wait until a time immediately preceding the next general elections, whether they take place this year or next. If they take place this year the government would save $32,000 and if next year, $64,000. In this particular I offer another suggestion to the leader of the government:

There might be some applications for senatorships. Quite so. I suggest the government should notify all the applicants that only one application should be sent, and when a second application is sent, the government should take the stand that the applicant would not get the job. They should post notices, or in some other way notify those who want to be appointed to the Senate that if they come twice to get the appointment they will get nothing. They should be notified that if a man, after having applied to the Senate, sends his friend or any one else, or canvasses any ministers of the crown, he will be sure not to get the job. This is a very practical and timely suggestion, and will give the Prime Minister and other members of the government a chance to enjoy more peace and rest. I suggest that before cutting salaries the decision should be made that no other Senator should be appointed before the next general election.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: I thank hon. members very much for carrying my first suggestion and I hope anything further I have to say will be received in the same spirit. In our confederation there are nine provinces. Citizens of the province of Ontario as well as those of the province of Quebec are interested in the welfare of the seven other provinces of our dominion, from sea to sea—but not farther than that. We are not interested in the situation obtaining in Newfoundland. What happens in Newfoundland is of no particular interest to us, since it took a slice from Labrador, thanks to the indulgence or diplomacy of the Privy Council. I learn from the press that the government has loaned $700,000 to Newfoundland; that is a large amount of money. I learn, further, from the press, Mr. Speaker, that on two previous occasions the Canadian government saved Newfoundland from bankruptcy.

Mr. DUPUIS: Mr. Chairman, I rise to ask a question. I should like to know to whom the hon. member is speaking; Mr. Speaker is not in the chair.

Mr. POULIOT: True, Mr. Speaker is not in the chair but—

Mr. DUPUIS: And the hon. member addresses his remarks to Mr. Speaker. He does not say "Mr. Chairman."

Mr. POULIOT: Well, Mr. Chairman, I shall continue by arguments. I feel I should thank the committee for their kindness in listening to my remarks with such great attention. But may I say that what I am telling you is most important? I see that this government has loaned $700,000 to Newfoundland; has saved that dominion twice from bankruptcy. These are large sums of money. We are not interested in the welfare of Newfoundland any more than that there are human beings there; we are not more interested in their affairs than we are in the welfare of Germans, French, Spaniards or Roumanians.

Mr. COWAN (Long Lake): Oh, yes, we are.

Mr. POULIOT: I know my hon. friend from Long Lake (Mr. Cowan) will go to Fort Saskatchewan and console his friend Maloney.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Hon. gentlemen will please keep order and allow the hon. member for Témiscouata (Mr. Pouliot) to continue his remarks.

Mr. POULIOT: It is only proper that the government, before thinking of making another cut in salaries, should ask Great Britain to restore the money which has been advanced to the Newfoundland government. I ask my good friend, the Minister of Finance (Mr. Rhodes): Where did he get that money? He should get back that money. If it was loaned on the advice of the Prime Minister the Prime Minister was wrong, I am sure if my good friend the Minister of Finance had been left to his own judgment he would never have done it. There are perhaps millions of dollars that should come back from there into the Canadian exchequer to fill the hole that should not be filled by cutting the salaries of the civil servants.

Besides that, I saw in the papers some time ago that a gentleman by the name of Kenneth G. Rea, had sailed on the Empress of Britain to begin the construction of a Canadian legation in Tokio. Is that work undertaken for the relief of unemployment in Canada? Will Canadian materials be used? Will Canadian workmen be employed? Before such work is begun, or before any payment is made on account of it, would it not be better to obtain the assurance that a Japanese legation will be built in Ottawa at the same time?

There is something else, something extraordinary. It is this, that the government has seen fit to make a loan of $1,500,000 to the Canadian Pacific Railway without interest, and at the same time the Canadian Pacific Railway has enough money to buy $2,000,000 worth of dominion bonds bearing interest at four per cent, which means that the government is paying four per cent on $1,500,000 of Canadian money, something very extraordinary—inconceivable. If the government

forced the Canadian Pacific Railway to pay four per cent on that $1,500,000 it would mean $60,000; in other words that 600 poor little civil servants who will have to suffer a cut of $100 would be exempt, and that the company would have to act in accordance with what is done in business circles, namely that people who have money can pay interest when money is loaned to them.

Another suggestion that I would make, not to the Minister of Finance but to his leader, would be to stop the gambling in wheat. When the matter came before the house the Prime Minister said it would serve no good purpose to give us full details although not only each member as representing the constituency that sent him here was interested but Canada at large. I asked him to clear the galleries in order to take the house into his confidence, but got no answer from him. It is time for him to stop that extravagance, which serves no good purpose but is rather an embarrassment.

There is another thing. When Adam was in the Garden of Eden—

An hon. MEMBER: Tell us about Eve.

Mr. POULIOT: No, there is no question about women. Some day there may be a lady in the cabinet, but to-day as there are only men, I will speak about the first man. After he ate the apple he was ashamed—

An hon. MEMBER: Maybe it was an onion.

Mr. POULIOT: No, it was not an onion, because at that time there was no culture of onions. Onions grew wild in Egypt then. After he had eaten the forbidden fruit he clothed himself in a fig leaf, but the Prime Minister, the apostle of "Canada first," is riding in an American car, and instead of a fig leaf we find him using a silver maple leaf to hide the American origin of his car. Now here is a most important point. The members of the government get $2,000 a year for their cars. I see a car here every day at the door of the east block bearing the number BB-1 or something like that, I have no objection to the number, but I have an objection to Canada's coat of arms being on this car. If the car belongs to the country I do not see why the country has bought for the Prime Minister, the apostle of "Canada first," an American made car. If it is privately owned by that gentleman, he has no right to put the coat of arms of Canada on his car.

An hon. MEMBER: How do you know?

Mr. POULIOT: Everyone knows, if they don't they are ignorant. That is the point I make; first I do not subscribe to paying $400 of my salary to keep that American automobile for the Canadian Prime Minister. Perhaps he does not know, perhaps that car was sold to him under the pretence that it was Canadian made. But if you look at the list of Canadian automobile manufacturers, I defy any hon. member from the other side of the house to say that the Stearns-Knight Company has a factory in Canada. Where is it? No one answers. I say there is none. Well, that is strange. Charity begins at home; why not buy a Canadian made car? Canadian made cars were good enough for Mr. Baldwin, they were good enough for members of the delegations from other parts of the empire who came here last July. But the Prime Minister of Canada has an American car. Canada first!

An hon. MEMBER: Hear, hear.

Mr. POULIOT: But there is something else. If my hon. friend will not keep silence I will tell him some very unpleasant things.

Mr. Chairman, I am a poor man. Most of us are poor men. The indemnity is not a salary. We come here at great sacrifice. During the time I have been here I have heard members from the province of Quebec as well as members of the Progressive party asking for some concession in this matter. Certainly there is not a single member of moderate means who does not attend the sessions of parliament at great sacrifice to his business or his practice, whatever may be his trade or profession. We are here to fulfil a duty. Some people do not agree with the views I express, but I can say that when members are polite to me I am equally polite to them and I treat them just as well as they treat me—some times much better. I must repeat that we come here at a great sacrifice, many members of parliament, gentlemen of culture who have done well in their profession and who have done well for the community, men from every part of the country, from British Columbia to Nova Scotia and Prince Edward Island. These gentlemen realize that there is such a thing as public spirit in this country and we do not come here merely for the honour of it, which means very little. Indeed, it is troublesome rather than honourable to be a member of parliament, although everyone appreciates the fact that the members of this house have enjoyed the confidence of those who have sent them here. Still, I say, the government must realize that an indemnity of $4,000 does not go very far.

We have to give more to charity to-day than anyone else. It is all very well to quote

scripture and to say that a cup of cold water given in the Lord's name will not be forgotten, and so on. We have to be charitable not only as members of parliament but as private citizens. The fact remains, however, that members of parliament are called upon to make greater sacrifices than the ordinary citizen has to make. The Prime Minister himself has appealed on several occasions to private charity on behalf of the unemployed; he has asked the Canadian people to come to the assistance of those who are out of work. The government itself cannot do anything. I do not say that any member of the cabinet is insincere; I believe they are all sincere. But I am sure they realize by now that they are unable to do anything practical for the relief of unemployment.

People speak of the back to the land policy, but that means nothing; it only means that some people are of the opinion that those who are on the land are much better off than the unfortunate people in the city. A good many people who have been in the cities for a considerable length of time are returning now to the paternal shelter because there is no more work for them in the urban centres. Others have therefore to come to their assistance. We find that not only the children, but also the sons in law, the daughters in law and the grandchildren in many cases are coming once more under the paternal roof. According to the last report of the director of unemployment relief, we find that the government gave only three meals on one day to each of the unemployed; they fed these people only one day, and during the other three hundred and sixty-four days these unfortunates had to be fed by private charity. Similarly the government afforded one half of them shelter one night and for the rest of the time private charity was responsible for their accommodation.

An hon. MEMBER: Carried.

Mr. POULIOT: Oh no; I am going to say all I have to say; I am going to say it for the benefit of those who, having ears to hear and eyes to see, will neither see nor understand.

I am a poor man, Mr. Chairman; my friend from Hochelaga (Mr. St-Père), is a poor man; so are my friends from St. Henri (Mr. Mercier), from Laurier-Outremont (Mr. Mercier), and from Gaspe (Mr. Brasset), and the majority of us. Now each of us has to subscribe $400 from our indemnity for purposes of private charity, and we have to subscribe that money to some millionaire in the cabinet. The five of us—taking us as examples—have to subscribe $400 each as a contribution either to the Prime Minister, to the Minister of Customs or to the hon. gentleman who presides at meetings of the council in the absence of the Prime Minister. I say, we have subscribed that money to millionaires. Is it fair? I do not think anyone will suggest that for a moment. Well, here is the automobile proposal, which the government apparently will not consider. I said last year and I repeat this year that I sincerely believe the salaries paid to members of the cabinet are inadequate. In ordinary times I would be in favour of voting a salary of $25,000 at least to each one of the cabinet ministers and I would be willing to vote a salary of $50,000 to the Prime Minister, because I do believe that the Prime Minister has a more arduous task than the president of the Canadian Pacific Railway or the president of any private concern. At the present time however we are not asking for anything more than what is due to us.

What is improper and indecent is this. The year before the salaries were cut the Prime Minister had sent the then Minister of Labour, Senator Robertson, to the west to get in touch with the people, and that hon. gentleman saw for himself the difficult conditions that existed out there; and after he had been converted he said in answer to my hon. friend from Lisgar (Mr. Brown) who was pointing out that the farmers of the west had no money. "Why have they not any money?" Senator Robertson went to the west and when he came back his report was so unfavourable that the Prime Minister could not help realizing the situation and he wanted to do something to assist these people who were in distress. After that it was decided to cut the salaries of the civil service, to cut the salaries of members of the House of Commons and of the Senate and of everyone else, thus increasing the distress that existed in every home.

People everywhere simply could not believe that a member of parliament was subscribing $400 a year to a millionaire like the Prime Minister or a millionaire like the hon. member who replaces that gentleman when he goes away, or a millionaire like the Minister of National Revenue, or for that matter any one of the millionaires in the cabinet. They cannot understand it. They do not realize that so many of us have to subscribe so much each for this purpose. The Prime Minister subscribed to the charity drive in Ottawa $250 of the $400 he is taking from my indemnity.

No one can justify the discrimination of the cut in the eyes of the people. Only two members besides myself had the courage to speak of this matter in the House of Com-

mons—my hon. friend from Beauharnois (Mr. Raymond) and my hon. friend from Labelle (Mr. Bourassa). I fancy that there must be remorse among the members of the cabinet.

Do hon. members realize that $2,000 is too much to pay for automobile service in these times? You can hire a taxi for a quarter and if you add ten cents to that by way of tip, that makes thirty-five cents; use the taxi four times a day, and does that amount to $2,000? We have simply got to practise economy, and ministers of the government would do well if they would give back to the state the amount that they have received in respect of automobiles during the past two years.

Mr. GOTT: The hon. member mentioned the garden of Eden and I am sure the people of South Essex will appreciate his comparing their country to the garden of Eden.

Mr. POULIOT: But my hon. friend has been expelled from the garden. I do not intend to speak much longer.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: Then I will continue. I can imagine a meeting of the council. At that meeting will be certain ministers who are in touch with the people, while there are others who are not; there will be those who know of the hardships, the poverty and the misery which exists in so many homes, and there will be others who are quite satisfied so long as they themselves are not hungry or thirsty. A discussion arises as to a cut in salaries and I can see someone saying, "Ontario has given us a lead, we must follow." Probably other ministers stated their objections, but the thing was done.

I appreciate the fact that hon. members on both sides of the house are so courteous in listening to what I say. They are all supporting the stand which some of us took last year and the year before. It is to be hoped that there will be no cut this year in the salaries of the civil servants or anyone receiving moneys from the exchequer. So much the better.

I know that hon. members of this house are not hard hearted; they are compassionate and they suffer from the bottom of their hearts when they see a man who has not enough to eat, who cannot clothe his children in order to send them to school to receive an education. If we had $4,000 per year, if the ministers were allowed only $400 in lieu of private motor cars, conditions would be different because we could do much with that extra $400 to relieve those in distress. That is what should be done.

Private charity has done a lot in this regard. The Prime Minister has made an appeal to private charity, but he then goes ahead and cuts it by ten per cent. Many people have charitable obligations. I met a man who works here in the building, receiving a salary of $80 or $90 per month. He told me that his priest had said that he should support the unemployed, that the civil service had been asking him to subscribe to the Ottawa drive, and yet he was supporting two of his children with their families. I told that man he was already doing enough, that it was not necessary for him to subscribe to church charities or to the Ottawa drive. I told him that if he continued to do what he had been doing he could be cited as an example to anyone. Private charities are doing considerable to relieve conditions; the work of the St. Vincent de Paul society, the Salvation Army and the Red Cross has been marvellous.

An hon. MEMBER: Hear, hear.

Mr. POULIOT: If the hon. member for Essex (Mr. Gott) wants to be decent, he will listen to me.

Mr. GOTT: The hon. member for Essex didn't utter a sound.

Mr. POULIOT: Then I take the hon. member's word and I apologize. It must have been the hon. member for Long Lake (Mr. Cowan).

Mr. COWAN (Long Lake): I have not said a word.

Mr. POULIOT: I am satisfied with the hon. members' explanation.

Mr. GOTT: The hon. member is cross-eyed.

Mr. POULIOT: My eyes are good enough to see the hon. member for South Essex and the hon. member for Long Lake.

I ask the support of every hon. member in this house in trying to persuade the Prime Minister and his colleagues not to cut salaries. They have decreased the purchasing power of a great many families and this example has been followed by a number of public and private concerns. The purchasing power of nearly every head of a family has been reduced. I remember distinctly that when the Prime Minister was coming from England two years ago he gave an interview in which he advocated the support of private charity. Hon. members of this house do their duty by subscribing to such private charities, to the best of their ability they endeavour to improve the conditions of the poor who surround them, and for these reasons I ask every

hon. member on both sides of the house to do his best to induce the leader of the government and his colleagues to reconsider this matter. If the government give to all of us the opportunity to help more than we can do now, our constituents, relatives, friends, and those who are in need, I have no objection to their keeping the two thousand dollars for cars provided they continue to do what I am sure they have already done, namely, give out of that sum a helping hand to private charity.

Mr. RHODES: The hon. member for Témiscouata (Mr. Pouliot) has such a ready gift of speech, such an extensive vocabulary, that I am rather surprised that even he should deem it necessary to practise upon a committee of this house, thereby taking up its time for upwards of forty minutes, one of the speeches which he intends to make at the next election down in the constituency of Témiscouata. Without desiring to be in the least disrespectful, I may say to the hon. member that much of what he said had far better been said upon the hustings or another occasion. It had little or no bearing on the resolution which is now before the house.

But my hon. friend made certain specific statements to which I feel it my duty to refer at once, lest my silence might be taken as consent to the accuracy of his statements with respect to either the facts in question or his deduction from the premises which he laid down himself. In the first place my hon. friend said that this government had lent some $700,000 odd to Newfoundland. This government has done nothing of the kind; it has not lent one cent to Newfoundland either now, recently, or at any time.

Mr. POULIOT: Mr. Chairman—

Mr. RHODES: I have listened in patience to my hon. friend for forty minutes and I think I have a right not to be interrupted while I occupy the time of the house for such few moments as may be necessary while I reply to the statements which he has made, following which I shall submit to any questions which my hon. friend may wish to put to me.

My hon. friend has said that Newfoundland means no more to Canada than does some foreign country. I do not think he will have many other members in the house or people in the country who will subscribe to that kind of view. Newfoundland is the oldest dominion under the crown. It has been, and quite properly so, one of the boasts of the British people that they have always met their obligations. There has never been a default. When it was open to us in cooperation with the mother country, to lend a hand to the oldest dominion, a sister dominion, I claim we are entitled to consideration for having come to her assistance under those circumstances. What we did was to say to the banks who came to the assistance of Newfoundland at that time, that we would stand behind them in cooperation with the mother country in case eventually Newfoundland found it impossible to meet her just obligations. So far from being criticized, I think we have every reason to take credit for having lent that helping hand under those circumstances. I do not need to place it on the ground of patriotic consideration. If, as has been the case in times past, we have come to the assistance of those who have met with disaster in foreign countries, surely we are entitled to come to the assistance of our sister dominion, Newfoundland, in the circumstances.

My hon. friend has referred to the fact that we have sent money to Tokyo to build a legation. We have done nothing of the kind. We have not sent a dollar. That arrangement in detail will, I have no doubt, be discussed when the estimates of the Department of External Affairs are under review. When it is discussed, I have every reason to believe the arrangement which was entered into because of the patriotic action of the Minister to Japan will be approved by this house and by the country. It is fortunate that we have in the public service of Canada a man with such high ideals of the public service as has the Minister to Japan.

My hon. friend used an argument which I know rolls like a sweet morsel upon the tongues of some hon. gentlemen, especially when they are discussing before a popular audience the shortcomings of the administration, when he referred to the fact that the government had lent $1,500,000 to the Canadian Pacific Railway Company. That is one way of putting the situation. As a matter of fact, whether the advance was right or not, what we did was not to give the money to the Canadian Pacific Railway because it was the Canadian Pacific Railway. We had decided that inasmuch as the shops of that railway would not be opened and there would be poverty and want on the part of those who had hitherto been employed, rather than have those people go upon relief, it would be not only humane but fitting to provide a sum of money which would enable the shops to be opened, thereby affording employment to those people. All that will come as an ultimate loss to the treasury is the interest upon that sum between the time it was advanced and the time when it is repaid as I

believe it will be by the Canadian Pacific. If the payment is not made for a period of years, the cost to the exchequer will not be greater or will be very little more than would have been the case if money had had to be handed out by way of relief.

My hon. friend has said by way of criticism —and I have heard this argument before—at the same time as this government gave $1,500,000 to the Canadian Pacific, the Canadian Pacific bought $2,000,000 worth of bonds upon which the dominion is paying interest at 4½ per cent. That statement is absolutely untrue. In the first place the Canadian Pacific Railway did not buy one dollar's worth of bonds. That is the fact to start with, but even if we asume it had done so, there would be nothing inconsistent in the two positions because the Canadian Pacific Railway is the custodian of trust funds, pension funds, sinking funds, which have to be invested, and it would be quite fitting and proper under those circumstances for the Canadian Pacific Railway to make trust funds and invest them in trustee securities which would be the securities of the Dominion of Canada. Therefore there is nothing inconsistent in that position.

My hon. friend harps upon a familiar chord, which I have not any doubt affords sweet music in the ears of those who want to indulge in the old political pastime of spellbinding, when he deals with the question of $2,000 to ministers in lieu of motor cars. In the first place this has not been $2,000 for the last two years. It has been $1,800, because it has been subject to a deduction of ten per cent. Let me say to my hon. friend that under previous administrations these sums of money did not more than pay for the gasoline, repairs and extra tires of cars of ministers. It barely would pay for the salaries of the chauffeurs, every one of whom was provided by the government and not one of whom, if my memory serves me rightly, received less than $1,440 a year. It did not take account of depreciation of cars, some of which cost as much as $5,000 and $6,000, and most of which were imported cars at that, I may tell my hon. friend. The reason the cars were taken away from ministers and an allowance given in lieu of them was to save the public treasury some tens of thousands of dollars. I have not the figures before me, but I have perused them in times past and I may say to my hon. friend that this allowance to ministers to-day in lieu of motor cars means that that service costs the public treasury not much if any more than one-third the cost under the old arrangement sanctioned by previous administrations. I am not going to defend the amount of emoluments ministers may receive. I have had some experience in public life, and I may say to my hon. friend that any minister who is devoted to his duties leaves the service of his country poorer than when he entered it. When I say that I include as well the allowance for motor cars. It might be good politics for the ministers to say, "No allowance, we will walk." But I say that would cost this country more than the allowance of $1,800, because ten or fifteen minutes in the time of a minister on a busy day is of the utmost importance to the country, if the country's business is to be run expeditiously.

I submit my hon. friend went a little too far when he brought the name of the Prime Minister into the discussion in connection with a matter which, after all, is his personal and private affair. I say to my hon. friend that the car owned by the Prime Minister was purchased by him in Canada as a second hand car, from a man in needy circumstances who wanted money. I am not going to stress that angle of it, but I know that idea was in the mind of the Prime Minister when he made the purchase. He had to have a car of some sort and he purchased it with his own funds. So far as the Prime Minister is concerned I say I have not the slightest doubt that not only does he give away his $1,800 but much more besides. And when my hon. friend suggests that his only contribution to charity was $250—

Mr. POULIOT: I did not say that.

Mr. RHODES: I am glad to hear the hon. member say he did not make that statement, because my interpretation of his remarks was that it was his impression the Prime Minister's benefactions were limited to that small sum of money. I am glad the Prime Minister is not here. Even although he may be absent I do not purpose going as far as I might go, but I feel obliged to say that the Prime Minister in his generosity towards his fellowmen is second to no man with whom I have ever come in contact in my lifetime. His modesty in connection with his benefactions, which I know to be numerous, is in marked contrast to the character which hon. gentlemen in this house would give him when they accuse him of being a Mussolini and a dictator.

The hon. member states that members of the government do not realize that there is hardship and poverty and misery in many homes.

Mr. POULIOT: I did not say that that statement applied to all ministers.

Mr. RHODES: Well, I shall take the hon. member's remarks in their most restricted

form. When my hon. friend gave utterance to that sentiment I was thinking of those conditions, when families in Canada who have hitherto known comfort and some of them luxury are to-day in distress and in receipt of public charity, but have accepted it only as a last resort. I have been wondering what they will think of the hon. member for Témiscouata when, from his remarks, they must readily realize that he begrudges making his contribution along with the contributions which must be made through the sacrifice of all the people of Canada, if we are to get over the period through which we are passing to-day.

I know about the demands made upon members of parliament. If my memory serves me correctly, I recall that when I first entered this house the indemnity was only $1,500 a year. I may say I found it hard scratching in the earlier days to make ends meet,—not that I did so, certainly, from my indemnity. Notwithstanding the demands made upon members of parliament the fact is that having regard to the costs of living, leaving aside any other considerations, a member of parliament is as well paid to-day at $3,600 as he was three years ago at $4,000. But apart from that—and I do not place my discussion upon a money basis at all—when in our need we must ask sacrifices on the part of our people to help us through this period of depression, a condition which we share in common with the whole world, we could not hold up our heads as members of this House of Commons if we asked everybody in Canada to make sacrifices but refused to make them ourselves. Let me say to the hon. member for Temiscouata that I know something of conditions in Ottawa. I know of no city in Canada where there is less distress and want than is to be found in this very city. I shall go a little farther and say that I have great admiration for the civil servants of Canada. I have seen much of them, and I know that no more loyal service could be given by any individual than is given by many civil servants to this dominion. Many of them who are serving the crown to-day are doing so at a sacrifice, because to my certain knowledge some of them are in receipt of salaries much smaller than they could receive from private employers. But the type of patriotism found in the civil service goes all down the line. I say to hon. members opposite that the great majority of the civil servants of Ottawa realize the necessity for this sacrifice, and are prepared to make their contribution. I say particularly to the hon. member for Ottawa (Mr. Chevrier), that there was a feeling of delight on the part of civil servants when they learned that we proposed to ask for a contribution of only ten per cent this year; many of them expected it would be much higher. We are not seeking any undue sacrifice by asking the civil servants to make a ten per cent contribution. I know of no country where it is not being done. In Australia, instead of ten per cent they are taking from 15 per cent to 20 per cent. In the great republic to the south of us, with all their wealth, last year they called upon the civil servants to take a month's holidays without pay. There is a further proposal which may or may not go through, that there should be a cut of 11 per cent on top of that.

Mr. Chairman, I do not purpose further to labour this discussion. I do not wish to be accused of lecturing; I do not wish the hon. member for Temiscouata to think that I am censorious of his rights in this committee. I do submit however that at a time like the present if we cannot forget party we ought at least realize that there are serious problems confronting this country, and that we would be better employed in devoting ourselves to the consideration of the matter in hand rather than indulging in political spell-binding such as we used to indulge in on the hustings on the back concessions in the piping times of prosperity.

Mr. DUFF: Mr. Chairman, as the Minister of Finance has said, we have had in the last few minutes two political speeches intended for consumption on the hustings. One, he said, was delivered by the hon. member for Temiscouata (Mr. Pouliot), and I suggest one was delivered by himself. Perhaps I may be allowed to go back to the resolution before us, which appears as follows:

> That it is expedient to continue in force the provisions of the Salary Deduction Act 1932, until the 31st day of March, 1934, and to provide that the provisions of the said act shall apply to the indemnities of members of the Senate and House of Commons for the session of parliament which commenced on the 6th day of October, 1932.

As the minister tried to argue, it may be necessary that there should be a continuation of the legislation of last year. But I should like to ask him why in this resolution he deliberately singles out members of the House of Commons and the Senate. Why does he find it necessary to add the words:

> That the provisions of the said act shall apply to the indemnities of members of the Senate and House of Commons for the session of parliament which commenced on the 6th day of October, 1932.

Are they an entirely different class of people? Why are we singled out? Why did the min-

ister say a few moments ago that we should be glad to give $400 from our indemnities? Sure, we are glad to give more. How much did my hon. friend give to charity last year? I have no doubt he gave three times $400. Then why should the Minister of Finance come and say we should give this $400 towards charity or poor relief? I say our salaries as members of parliament have nothing to do with our subscriptions to charity.

Now, Mr. Chairman, I am afraid this resolution was hurriedly drawn, the Minister of Finance yesterday had to rise in this house and ask the indulgence of the house because he did not put his resolution on the order paper. Of course we decided unanimously to let the matter go through without the regular notice. But let us see what actually is going to continue under this resolution. In 1932 this house and Senate passed chapter 52, an act to provide for a deduction from compensation in the public service. In clause 2, subsection (b), it says:

> "Member of the public service of Canada" means every officer, clerk and employee in any branch or portion of the public service of Canada, to whom any compensation is paid, either directly or indirectly, out of the revenue of His Majesty in respect of his government of Canada, other than the Governor General of Canada, the lieutenant-governors of the several provinces of Canada, the members of the judiciary, and the members of the military, naval and air forces of Canada, and the Royal Canadian Mounted Police,—

Now, Mr. Chairman, the exemptions start from the Governor General and go down to the Royal Canadian Mounted Police. These exemptions are going to be asked again under this resolution which we are now considering. I wish emphatically to protest, as a member of this parliament and as a citizen of Canada. If there is going to be a reduction, whether 10 or 20 or 50 per cent, in my indemnity as a member of the House of Commons, or if there is going to be a reduction in the salaries of light-keepers, there should be a reduction all round. For instance, my hon. friend must have noticed a few days ago that in his constituency a poor light-keeper, a returned soldier, was fired from his position on Green island and a new man appointed, not a returned soldier, and this new man has to take a reduction of ten per cent, while the Governor General and the lieutenant-governors and the military and naval forces and the judges are going to get their whole salary. I say that is not right. It may be all right for the Minister of Justice to see that the judges get 100 per cent while the light-keeper on Green island gets only 90 per cent, but the people of this country believe in fair treatment for every one, and I for one protest against this resolution, and before I conclude I am going to ask that the committee rise to enable the finance minister to redraft the resolution so that every one gets the same cut as the light-keeper and the poor charwomen and the elevator men and the $100 postmasters and everybody else.

Now let us consider this matter. The finance minister said that the civil servants were delighted to accept this ten per cent cut. Well, the Minister of Finance may move in different company from what I do. I have never met one civil servant who accepted this cut with good grace. Why? If we are going to fix the salaries of civil servants every year as conditions may warrant, give them $1,000 this year and $1,200 next and $2,000 when the Grits get back in power and we have prosperous times, and then when the Tories get back in the next fifty years cut them down to $500, then I say, it is all right to make this deduction this year. But it must not be forgotten that the civil servants, whether times are good or bad, whether the cost of living is high or low, get only the same salary. Consequently I say it is not fair to these civil servants, who have made plans and commitments thinking they were going to get a certain sum, to have to take a cut of ten per cent. I know that if my hon. friend goes on the hustings at the next election and tries to defend the policies of this government by saying it was the right thing to do to cut these civil servants, who in any case we could perhaps do without, there will be certain people who will applaud. It will be fairly good stuff on the public platform. But after all is said and done the people of this country are sane. A great many shibboleths have been discussed on the public platform, but I have confidence in the sanity of the people of Canada, and in spite of the quack remedies that are offered them I say they are sane and sensible and are going to agree that if they require a postmaster he is worth $100 if he is worth anything; if they require a customs officer he is worth the amount which was agreed to be paid him under the Civil Service Act. And, coming back to the matter of salaries of members of parliament, last year I went back to my constituency and the province of Nova Scotia and I have yet to hear one criticism because I stood up in this parliament and said I was worth $4,000 and had a contract with the people of Canada to pay me that amount. I say to every hon. member of this house or the Senate that he is worth the money which the people of this country contracted to pay him. This is not a salary,

it is only an indemnity, and every hon. member knows that we do not get enough to half meet our expenses, we leave our businesses and give our time and any ability we possess and do our duty as far as in us lies for the people of the country. No right thinking man in this country grudges the member of parliament $4,000, because he knows that instead of having $4,000 at the end of the year he has nothing or less than nothing.

Now, Mr. Chairman, what is the idea of these exemptions? Why are we asked to pass this act? Have we again to fight the battle we fought last year, when members of the militia and the navy, the judiciary and the lieutenant-governors were to get their full salaries, while the page boys and the charwomen were to take a ten per cent cut from their widow's mite that the people of the country are paying them. What have we seen in the last twenty-four hours? Look what these poor charwomen met this morning. My hon. friend the finance minister talks about economy; he says expenses have to be cut. Think of these poor charwomen coming here at six o'clock in the morning, picking up the newspaper and reading that they are going to lose ten per cent of the pay the government gives them, and on the other page that the government has appointed Milton N. Campbell at a salary of $10,000 to the tariff board. Is that the kind of economy my hon. friend professes, taking from the charwomen and the elevator men and giving Milton N. Campbell $10,000—

An hon. MEMBER: And pay him a pension too.

Mr. DUFF: Yes, pay him a pension. If my hon. friend wants to economize I will be glad to help him, I will show him where it is not necessary to take ten per cent from the charwomen and the elevatormen and the lighthouse keepers. Someone mentioned Tokyo this afternoon. The gentleman who is the ambassador or commissioner or whatever he is, Mr. Marler, is a personal friend of mine, but since this government in their wisdom have settled the question that Japanese oranges are not oranges but tangerines there is no further necessity to have Mr. Marler in Japan. This government raised the tariff in 1931, putting a duty on oranges from foreign countries. The Japanese government at once protested, and taking a leaf out of the Prime Minister's book they said, "If you put an embargo on coal from Russia we will put an embargo on goods coming from Canada to Japan." They were asked by Mr. Marler why they took this attitude and he was told that it was because this government put a high duty on Japanese oranges. The result was that there was consternation in Japan and Canada. Well, the governor in council solemnly gathered his ministers around him and after some length of time, consulting Webster's dictionary they saw that tangerines were oranges; it said, "Tangerine—see oranges." Then they looked up oranges and they found that one variety of oranges was known as tangerines and another as margarines. And this government, which is so busy that a minister cannot waste fifteen minutes to walk from one department to another, passed an order in council declaring that oranges from Japan were not oranges at all but tangerines.

Now why not let us economize? Here we are going to be asked to vote $70,900 for the Tokyo legation. In the first place, Mr. Chairman, as you know, in the last two or three years our trade has fallen off more than fifty per cent and I say that if the government would take this amount which they intend to spend in Tokyo—not for business, because they do not want business from Japan—and would use it for the purpose I am going to suggest, they would be able to avoid this ten per cent cut in the salaries of lighthouse keepers and others in Canada, including the salary of the man on Green island in the county of Richmond, Nova Scotia. They have also cut the salary of the lighthouse keeper on Cranberry island. Perhaps the Minister of Finance read the Halifax papers a day or two ago; if so he will have noticed that in the terriffic storm that occurred on the Atlantic coast last week the situation was so grave that the lighthouse keeper and his family at that point could not get outside the light for thirty-six hours. The breakwater as well as the cribwork surrounding the island was washed away; the light was shaking back and forth and it was expected to be hurled into the sea. Yet my hon. friend and the government solemnly propose a vote of $70,900 towards the Japanese legation, while they are taking ten per cent off the salary of the lighthouse keeper and his poor wife on Cranberry island. Is that fair? Is it decent? If they want to save the country, if my hon. friends opposite want to save the government, surely they can do better than taking ten per cent from the lighthouse keepers and the page boys, the elevator men and the ordinary postmasters throughout this country. If they cannot do better than that then I suggest with all deference that they should resign and let someone else take charge.

An hon. MEMBER: When was Mr. Marler appointed?

Mr. DUFF: I do not care when he was appointed.

An hon. MEMBER: By what government?

Mr. DUFF: He must have been a pretty good Tory when this government continued him in his official position.

Mr. MACDOUGALL: What was the cost of the Tokyo office in 1923?

Mr. DUFF: It does not make any difference what the Tokyo office cost in 1923, because conditions in this country under the Liberals were so good that there was no necessity for us to reduce the salaries of lightkeepers, postmasters and everyone else ten per cent. On the contrary, we raised the salaries of the civil service officials twice in our period, or whilst we were in power.

An hon. MEMBER: You borrowed the money.

Mr. DUFF: An hon. member says that we borrowed the money to pay for the increased salaries we gave the civil service commissioners.

O wad some Power the giftie gie us
To see oursels as ithers see us!

I do not want to use the language used by the hon. member for Temiscouata, but I would point out to the hon. gentleman that every man and woman who reads must know that during that time while the Liberal government was in power we reduced the public debt of the country to an enormous extent. Perhaps we are not entitled to all the credit for it, but everyone knows, and my hon. friend must know—the hon. member for North Grey says that he does not know, but I cannot believe that—the hon. member must know that from 1922 to 1930 the Liberal government reduced the public debt of Canada to the extent of some $285,000,000.

Mr. GOTT: You increased it many millions in railways.

Mr. DUFF: I am glad we have two financiers on your right, Mr. Chairman, although they occupy the farthest desks in the chamber towards the Speaker. I will not mention any names because it might embarrass them.

If we want to economize we must do so in the proper way and not take money from deserving people. So far as I am concerned, although I cannot afford it, if it is a matter of saving the country, or even saving the government, I am willing to have them take fifty per cent of my indemnity.

An hon. MEMBER: Not to save the government.

Mr. DUFF: Yes, even to save the government. I do say that if the government want to economize they must cut down expenses that can be done without. Let us take, for instance, the amount which it is proposed to spend in connection with our representation at Washington—$92,900. I am not going to be personal at all. This office was created and opened by the Liberal government, and I am criticizing neither the office nor the individual; but I do say that in this time of stress and strain, when it is necessary for the country to practise economy in every direction, and when the government is taking ten per cent from the $100 received by the postmaster, or $10, and when we are talking about cooperation all the time and even amalgamation, we should pay some attention to a matter of this sort. I say, close the Washington office until we get back to better times and let the British ambassador do our work over there. That would result in a saving of $92,000. The Liberal party established the office and we are proud of it, but we could afford to close it for the present. What my hon. friends opposite are doing is not building up but tearing down; they are even tearing up the page boy's little cheque every fortnight.

There are further items in the estimates to which I might refer; some of them we could very well do without. For instance, here is an item of $38,500 to provide for the payment of salaries and expenses in connection with St. Lawrence ship canal surveys investigation. It seems to me that, especially after Mr. Roosevelt's election as president of the United States, there is no hope in the near future of this canal being built by Canada or the United States, and consequently there is no need of surveys. Let us wait until the country is in a position to build a canal or to make some arrangement regarding it. At any rate, there is an amount which would make up the ten per cent on certain salaries which the minister thinks he is obliged to reduce. And I might go on to deal with other items.

While I am willing if necessary, and if it is in the interests of the country, to have salaries reduced, I do think that it is poor policy, it is bad business to economize in the way this government is doing, because it is

simply withdrawing from circulation in the country millions of dollars. Financiers who know more about money matters than I do have told me that one dollar goes around seventeen times; so that if you multiply the amount which the Minister of Finance thinks he will save by means of this resolution and the act which he proposes to introduce, you can readily see that if that money were put to work in Canada there would not be as much unemployment as there is at the present time. This is following a penny wise and pound foolish policy, because every person who has had to take this reduction has had to reduce his budget. Expenditures have been reduced and for every dollar which a civil servant does not spend, hundreds of other people suffer. As I said a moment ago, there is a class which is being exempted, and this should not be. We are being solemnly asked to adopt this resolution, we will be asked to pass a bill similar to the one passed last year under which lighthouse keepers, postmasters and other civil servants will be cut ten per cent, but I think the minister should amend his resolution and strike out the reference to members of the House of Commons and members of the Senate. In the act passed last year and in the present resolution it is stated definitely that members of the House of Commons and members of the Senate have to take this ten per cent reduction. Why trot them out to the public gaze, why not leave the poor devils alone? It is bad enough that they should lose $400 without deliberately singling them out for mention. No mention is made of the high hats in the militia, no mention is made of the cocked hats in the navy, but the poor members of parliament are trotted out for mention. Subsection (b) of section 2 of the act states:

—and includes members of the Senate and House of Commons of Canada, and members, officers, clerks and employees of every commission, board or corporate body.

The minister should move that this committee rise and report progress in order that he may have an opportunity to redraft his resolution. He could come back with a new bill based upon his new resolution, and we could then consider the matter. If the lighthouse keepers, the postmasters and other civil servants are to take a ten per cent reduction—a twenty per cent reduction if necessary—the judges, the lieutenant-governors, the members of the militia and the navy and everybody else should take the same reduction.

Mr. RHODES: The hon. member for Antigonish-Guysborough (Mr. Duff) has been consistent during the last year or more in his opposition to the ten per cent salary deduction. But when he states that by making this deduction we are saying that hon. members should receive only $3,600, he is putting an interpretation upon it entirely different from—

Mr. DUFF: I did not say that.

Mr. RHODES: If my hon. friend did not say that in so many words, he said it by imputation. He said that he took the same attitude before his people as he did in this house, that hon. members are worth $4,000 per year. I do not quarrel with my hon. friend when he takes that point of view; if conditions were good in this country I believe hon. members ought to get $5,000 per year.

An hon. MEMBER: Or $6,000.

Mr. RHODES: Or $6,000.

An hon. MEMBER: Or $10,000.

Mr. RHODES: I believe it would be more in the public interest to overpay than to underpay a member of parliament, but that is another question. The indemnity has been fixed at $4,000, and therefore we ask that a contribution be made from that indemnity as it stands. I just wanted to make that point clear.

My hon. friend has taken exception to the wording of the resolution, but I would inform the committee that this resolution is in strict conformity with the one of last year.

Mr. DUFF: That does not make it right.

Mr. RHODES: It has been drawn up with the utmost care by the law officers not only of the house but of the Department of Justice, and I submit that from the point of view of procedure and legality it could not be drawn in any other way. Members of parliament have to be mentioned because they have a statutory indemnity, otherwise the salary deduction would be applicable only to civil servants. My hon. friend in referring to the high hats of the army, the cocked hats of the navy, and the judges, has overlooked the fact that just this afternoon we passed a resolution upon which is to be based a bill amending the Income War Tax Act. This bill is designed to continue the same deduction to the very people about whom he has complained.

Mr. DUFF: Will my hon. friend explain that?

Mr. RHODES: We assumed that my hon. friend, along with other hon. members of the house, knew what the resolution was for, otherwise he would not have consented to its going through without discussion.

Mr. DUFF: No one has seen the bill.

Mr. RHODES: It was done last year.

Mr. DUFF: We did not see this present bill and consequently we could not know what was in it.

Mr. RHODES: I am sorry my hon. friend did not raise the question when the resolution was before the house. Apparently it was understood by his leader and by those who sit around him.

I should be quite willing to have a discussion with my hon. friend in connection with the proposition which he laid down, and which, I submit, has no bearing whatsoever upon the resolution, in respect to the golden era under the Liberals and the hard times under the Conservatives. I would be very happy to discuss that with my hon. friend.

Mr. DUFF: I did not start it. One of your own members started it.

Mr. RHODES: I did not hear it started. However, I am not going to be drawn aside in a discussion of that proposition, although I am quite prepared to do so at the proper time.

Mr. DUFF: So am I.

Mr. RHODES: I should be very happy indeed to do so, and I should hope to be able to present an argument which would have some merit. I say that with all modesty.

Mr. DUFF: Let us go to Arichat and have a meeting.

Mr. RHODES: I am quite prepared to do that. If my hon. friend is no more fortunate there in the accuracy of his statements than he is here—

Mr. DUFF: That is not quite fair.

Mr. RHODES: I am going to show the thing up by chapter and verse in order to make it clear to every hon. member. When my hon. friend made the statement that I had dismissed a lighthouse keeper—

Mr. DUFF: I did not say that at all.

Mr. RHODES: I leave it to Hansard and to the judgment of this committee. If my hon. friend did not say so in so many words, he left a clear imputation; otherwise why refer to it?

Mr. DUFF: Because a returned man was dismissed.

Mr. RHODES: My hon. friend is wrong there again.

Mr. DUFF: I am not.

Mr. RHODES: He is quite wrong.

Mr. DUFF: I am not wrong.

Mr. RHODES: If my hon. friend will not take my word, I will ask the chairman to rule that he be compelled to take it.

Mr. DUFF: You have to take mine. I made the statement that he was a returned soldier. Mr. Chairman, on a point of order; the Minister of Finance has no right to rise in his place and say that I did not know what I was talking about and that I was not telling the truth. I ask that he withdraw.

Mr. RHODES: My hon. friend has again misquoted my words. I did not say that he was not telling the truth. I never used that phrase or anything of that character.

Mr. DUFF: What did you say?

Mr. RHODES: I said that if my hon. friend was no more fortunate—

Mr. DUFF: What is the difference?

Mr. RHODES: —at Arichat than he is in this committee, then it would be unfortunate for him. That is practically what I said. Then my hon. friend took the omnipotent position that he is never in error.

Mr. DUFF: Then my hon. friend also took the omnipotent position that he is never in error.

Mr. RHODES: I may say that I am the first to admit when I am in error. I have made many mistakes, but to admit that is not to admit that one has made a false statement. That is an entirely different thing.

Mr. DUFF: Take it back and play ball.

Mr. RHODES: I am taking nothing back, because I am absolutely within my rights. I think I am placing a correct interpretation upon the remarks of my hon. friend.

Mr. DUFF: Then I am not taking anything back either.

Mr. RHODES: Mr. Chairman, if you cannot have order in the committee possibly the hon. member for Antigonish-Guysborough will realize that we are not lightly discussing matters in a smoking room; we are dealing with public affairs in a committee of the high court of parliament.

Mr. DUFF: Then the Minister of Finance should set an example.

Mr. RHODES: When my hon. friend started out to roughhouse the discussion in committee—

Mr. DUFF: Mr. Chairman, I rise to a point of order. The Minister of Finance used the term "rough house." I am going to ask him to withdraw that.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The term "rough house" is possibly not quite parliamentary.

Mr. RHODES: If the expression "rough house" is offensive to my hon. friend, or if the chairman rules that it is unparliamentary, I should be happy to withdraw it. When my hon. friend proceeded to mix up the discussion and to draw me away from the main point of the discussion which I proposed and still propose to carry on, he was not helping out the general tenor of discussion in this committee. I started out by saying that my hon. friend left the imputation upon this committee that I had been responsible for the dismissal of a lighthouse keeper on Green island—

Mr. DUFF: On a point of order—

Mr. RHODES: It is not necessary—

Mr. DUFF: I am speaking to a point of order.

Mr. RHODES: My hon. friend should at least do me the courtesy of listening until I complete a sentence. There is no point of order, I submit. I shall be the first to withdraw any imputation if my hon. friend says I ought to withdraw it. I say that the clear impression he left was that I was responsible for the dismissal of a lighthouse keeper on Green island. If my hon. friend says that that is not the position he took, I accept his word at once.

Mr. DUFF: I rise to a point of order. The Minister of Finance says that I imputed to him the responsibility of dismissing a lighthouse keeper on Green island, which is in the strait of Canso, and some miles from Petit-de-Grat. When the minister first made that statement I immediately rose and said that I did not make it. That should have been sufficient for any hon. gentleman to accept. I stated that I did not say it. I know exactly what I said, and I was very careful of what I said. All I was trying to say to the minister was that this returned soldier had been dismissed lately and another man put in his place. I did not say that the Minister of Finance dismissed him, but the Minister of Finance will agree that this government of which he is a member had to pass an order in council dismissing that man.

Mr. RHODES: I hope, Mr. Chairman, you have the point of order. I may say very frankly I did not understand it. I had started out from the point of departure in this discussion. I accept at once the statement of my hon. friend that he did not wish to leave on the committee the impression that I was responsible for the dismissal of a lighthouse keeper on Green island. I merely said at the start that that was the inference I drew. Let me say to my hon. friend that the lighthouse keeper on Green island was dismissed for neglect of duty. There was nothing political with respect to his dismissal, neither was I a party to it in any way, shape, manner or form. It may or may not have been necessary for an order in council to be passed. If one was passed, I have no cognizance of it, although I may have been present when it was passed, or it may have been passed in my absence. I set no store on that, because many pro forma orders in council are passed. But my hon. friend, if I mistake not, said in his earlier remarks that this was a returned soldier and that he was replaced by a man who was not a returned soldier. Am I right in that?

Mr. DUFF: Yes.

Mr. RHODES: My information is that the man who replaced the one who was dismissed was a returned soldier with a record at least as good as that of the one who was dismissed for cause.

Mr. DUFF: The minister admits that the man who was dismissed was a returned soldier.

Mr. RHODES: I have no personal knowledge of the circumstances. I am quite prepared to take my hon. friend's word for that.

Mr. DUFF: The man was away for one night, and his wife, who is just as good a man as he is, was there in charge of the light.

Mr. RHODES: My information is that the man who now occupies the position is a returned soldier.

Mr. DUFF: If my hon. friend says of his own knowledge the gentleman who was lately appointed was a returned soldier, I shall take his word for it and retract my statement.

Mr. RHODES: I did not ask for any retraction.

Mr. DUFF: The minister does not know whether he is a returned soldier or not.

Mr. RHODES: It has been my endeavour at all times in the house to conduct myself with reasonable decorum and, I hope, with courtesy to hon. gentlemen. I must submit that the hon. member for Antigonish-Guysborough is not fair either to me or to the committee in his frequent and unnecessary interruptions.

Mr. DUFF: I do not want any lecture.

Mr. RHODES: My hon. friend also said —and I wrote down his words—that I made the statement that the civil service was delighted to accept the ten per cent salary cut. Hansard will bear me out that I said nothing of the kind. What I said was that many civil servants were delighted when they found out that the cut had not been greater.

Mr. DUFF: What is the difference?

Mr. RHODES: All I can say is that now I can understand by that mere question how it is my hon. friend has found himself unable to follow me in this discussion.

Mr. DUFF: My hon. friend has been unable to follow me for the same reason.

Mr. RHODES: Let me say a further word. When I made reference, in dealing at an earlier stage in the proceedings with the question of the allowance for motor cars, to the fact that members of the government were busy, I was not referring particularly to members of this government; I used the term "ministers" in a broad sense as applicable to ministers of different governments at different times, and my statement had no personal reference at all.

My hon. friend made one other statement which has no bearing on the resolution, but I should like to reply to it briefly because it has been so often stated by hon. gentlemen opposite that they have come to believe it. They have frequently asserted in the house that under the Liberal administration led by the present leader of the opposition they reduced the national debt by so many million dollars. I have the figures taken from the official records, and they show that beginning in the year 1922-23 there was an increase in the national debt of $31,641,067. Following that came a series of decreases in the national debt, as follows:

| Year | Decrease |
|---|---|
| 1923-24 | $35,993,594 |
| 1924-25 | 345,589 |
| 1925-26 | 27,706,586 |
| 1926-27 | 41,896,729 |
| 1927-28 | 50,984,137 |
| 1928-29 | 71,345,528 |
| 1929-30 | 47,740,746 |



This makes, according to the records, a net decrease in the national debt during the regime of hon. gentlemen opposite from 1922 to 1930 inclusive of no less a sum than $244,371,842. But they forgot to tell the country that because of the practice which they inaugurated, instead of paying the Canadian National deficits out of the treasury of this country, of putting their endorsement on the back of Canadian National Railway notes, during that period of time the debt of the Canadian National Railways, which is guaranteed by this country, increased by no less a sum than $371,838,622, so that instead of their decreasing the national debt by $244,371,842, they increased it during their regime by no less a sum than $127,466,789.

Mr. MACKENZIE KING: Does my hon. friend dispute the figures apart from those with regard to the national railway?

Mr. RHODES: I quite agree with the figures. I stated in the first instance the direct national debt was decreased under the regime of hon. gentlemen opposite by the sum I mentioned, but at the same time the debt of the Canadian National Railways, which is guaranteed by this government and which is just as much an obligation of this country as is the national debt, increased by $371,000,000, so that instead of hon. gentlemen opposite decreasing, as they say, the national debt, they increased it in the sum of $127,000,000 while they were in office.

Mr. EULER: Would the Minister of Finance answer this—

An hon. MEMBER: Oh, oh.

Mr. EULER: I think I should have an opportunity to speak; I have not taken much time of the committee. Would it be fair to say that when the government took over the national railways, together with a liability of a billion dollars or more, the national debt was to that extent increased under a Conservative government? Would that be a fair description?

Mr. RHODES: It may be, but I do not think it is germane to the point I now make. It may or may not have been good policy for the government to guarantee the securities of the Canadian National Railways. That is not the point about which I am complaining, but is a different matter entirely. What I say is that when hon. members opposite say that the late government decreased the national debt by that sum, they are not making an accurate statement. To make myself clear I shall use an illustration. If a farmer who had a mortgage of $2,000 on his

farm went to the bank, borrowed $2,000, and paid off $1,000 of the mortgage, it would be just as truthful for him to say he had reduced his debt by $1,000. In fact he would be $1,000 more in debt than before he went to the bank. It would be just as truthful for him to say that as for us to say that we decreased the national debt while we are guarantors of a sum of money which we owe and must pay.

Mr. EULER: They have assets to counterbalance the situation.

Mr. HANBURY: The minister has referred to an increase of the national debt by virtue of the guarantee of the bonds of the Canadian National Railways. Will he at the same time tell the committee what the increase of the assets of the Canadian National Railways has been?

Mr. RHODES: I submit, with all due deference to the hon. member for Vancouver-Burrard, that his question has no bearing upon the matter at all.

Mr. HANBURY: It certainly has.

Mr. RHODES: It might have a bearing if the assets were revenue producing, but we have not had that experience in this country for many years.

Mr. HANBURY: And we do not expect to have it under a government with a trade policy such as that of the present one.

Mr. RHODES: As a result of that guarantee we had to pay out some $70,000,000, and we will not be very far from that sum this year.

Mr. HANBURY: And you will have to pay out more every year, so long as you continue your present trade policy.

Mr. RHODES: I suggest that is another matter, and I am prepared to discuss it at the proper time.

Mr. HANBURY: Let us discuss it now.

Mr. RHODES: I submit a resolution such as the one now before us, upon which it is proposed to found a bill, is not the proper place to discuss the government's policy.

Mr. DUFF: I did not begin this discussion. It was an hon. member in a back seat who started it. I have enough sins to answer for, but not that one.

Mr. RHODES: Mr. Chairman, this discussion has taken a wider range than I think it properly should take. In justice to the administration I think I ought to say it was necessary for me to deal with some statements made by hon. gentlemen opposite.

[Mr. Rhodes.]

Mr. RALSTON: Why did the minister not deal with just the deficits of the last two years? Why did he not inform the committee that taking all the guarantees of the Canadian National Railways for the last ten years against the reduction of the national debt, the present government has in the last two years increased the national debt more than the Liberal government did in its whole ten years in office?

Mr. RHODES: Mr. Chairman, that observation is typical of the hon. member for Shelburne-Yarmouth.

Mr. YOUNG: It is right to the point.

Mr. RHODES: It is typical of the hon. member, of the astute lawyer who can get away from the point at issue, but I suggest it has no bearing upon the discussion, nor would it have had any bearing if this government had increased the debt by a thousand million dollars. I simply dealt with statements repeatedly made by hon. gentlemen opposite to the effect that during their tenure of office they had decreased the national debt by so much, and I have confined my discussion to that point. The question of the hon. member for Shelburne-Yarmouth has no bearing upon the discussion at all.

Mr. STEWART (Edmonton): No doubt we will have an opportunity for further discussion at a later time.

Mr. HEPBURN: The discussion has gone far afield, and I intend to trespass on the time of the committee for only a moment or two. I do not want the impression to go abroad that all hon. members on this side of the house are opposed to the Minister of Finance. I do not wish it to go abroad, either, that I am advocating a national policy. I am opposed to this government, and would be equally opposed to a national government. But I think in the present instance the government is taking a step in the right direction. Whether we like it or not there will have to be some measures of retrenchment, because the government of the country costs sums out of all proportion to the capacity of the people to pay. Costs of municipal, provincial and federal governments to-day total something like a billion dollars. The value of Canadian field crops to-day is something like $450,000,000, so that we readily see that it takes more than twice as much than the value of the Canadian field crop to pay for the cost of government. These extreme costs reflect themselves in trade conditions. The world is suffering from overproduction.

I have no doubt that in the main we will do irreparable damage if we insist in keeping government costs where they are at the present time. So far as I am concerned, I know I have less of this world's goods now than when I entered politics some years ago. However, the penalty I personally have to pay for keeping a Tory government in office is $400 a year. I am willing to make that sacrifice in the anticipation that some time in the near future we will have a Liberal government back in office and again enjoy prosperity.

While we are on this point I should like to assure the government that I would be prepared to support it if it were inclined to make searching inquiries along some lines. Public accounts show that we are paying $9,000 to a lieutenant-governor in Nova Scotia, $10,000 to one in Ontario, and supporting nine in all Canada. We could cut down that expense very considerably. Further, I do not think there is any necessity for 245 members in this House of Commons, and now that when we have an opportunity we should reduce the number regardless of constitutional barriers. We do not need that number of members any more than does the city of Ottawa need 245 mayors to run its municipal offices. There are too many cabinet ministers; there is too much duplication between provincial and federal services. For instance, we have provincial departments of labour and a federal Department of Labour. I am suggesting if the government is prepared to cut down expenditures I am prepared to support it, and that is going a long way for a Liberal. We could make many savings all along the line in eliminating federal and provincial duplication. We wonder, however, what the feelings of the charwoman will be when she finds her salary is again being cut and learns from the press that Milton N. Campbell, a member of this house will sit on the tariff board at a salary of $10,000 a year. I do not know what qualifications he has, except that he has been pretty consistent in his support of the Tories. We learn, further, that Judge Sedgewick of Ontario is being appointed chairman at a salary of $12,000 a year. In terms of wheat at western values it would take 60,000 bushels to pay the salary of Judge Sedgewick as tariff board chairman, and about 50,000 bushels to pay the salary of our friend and late departed member of the house.

Then, only a short time ago the personnel of the radio commission was selected. Heading the organization we find Hector Charlesworth, whose particular qualification seemed to be that in the years 1925 and 1926 he was publicity man for the Tory party in Ontario. Aside from that I do not know what further qualifications he may have to act as chairman of the radio commission. May I add that I heard him make a speech over the radio from Montreal and I can truthfully state I never heard such a terrible exhibition in my life.

An hon. MEMBER: Of course you are a judge.

Mr. HEPBURN: To use his own expression, he said there were no damned comedians in Canada. I believe if he could have listened to his own speech he would have changed his views. One further remark. The Minister of Finance said that the debt of Canada had been increased during the regime of the Liberal government. That statement is rather misleading. True, we did guarantee the bonds of the Canadian National Railways, but we got value in return. We had assets to show for it. Following his own argument by way of explanation of the guarantee of the banks for the loan to Newfoundland, he said the government of Canada did not lend the money but backed the note. By the same kind of argument will he agree that the debt of Canada has been increased $700,000 in virtue of the guarantee to the banks by the dominion.

Mr. RHODES: Certainly there is an indirect liability; there is no question of that.

Mr. HEPBURN: Then you admit that the national debt has been increased?

Mr. RHODES: When I discuss how much we have increased the national debt I am prepared to discuss it along that line.

Mr. HEPBURN: Well, as far as I am personally concerned I am prepared to support the Minister of Finance in this resolution. I do not think there is any need to waste the time of the house any longer—

Some hon. MEMBERS: Hear, hear.

Mr. HEPBURN: We discussed it fully last year; it is the same thing again, exactly. I hope those on this side will let it go through without further discussion.

Mr. WOODSWORTH: Mr. Chairman, last year I opposed this legislation, and must maintain the same position this year. I can sympathize with the desire of the Minister of Finance to balance his budget, but it seems to me there are other ways in which this can be done than by cutting down the salaries of the civil servants. There is undoubtedly a good deal in what the member for West Elgin (Mr. Hepburn) has just said, that there are a great many places where economies

might be effected. I think undoubtedly the government of Canada costs more than it should, but I do not believe that the economy should be effected by cutting down the salaries especially of the poorer paid civil servants. The largest item that we have in our expenditures is that recognized generally as uncontrollable expenditure, most of it interest on bonded debt. It seems to me that the finance minister might very well consider the possibility of cutting down that item. During this time of depression almost everyone has taken his loss except those who hold bonds. The finance minister said a little while ago that he thought possibly a member of parliament receiving $3,600 now is as well off as he was a few years ago when he received $4,000. I think that is probably true. But if it is true it means that the man who has a bond for $4,000 should be receiving only $3,600. I think that is drawing it very mild indeed. On the minister's own argument, that money has increased in purchasing power, he must recognize that bondholders to-day are drawing a larger amount than that to which they are justly entitled, regard being paid to the altered buying power of the dollar. It would seem to me that the government ought to take into consideration some form of conversion by which the present bonded indebtedness would be reduced so that it could be handled. I suppose the easiest and simplest way to do that would be by a form of inflation. It might possibly be done, of course, by a cutting down of the interest charges in one way or another. It seems to me we cannot maintain the policy of paying interest on our enormous debts, and especially trying to do it by means of reductions in salaries.

Again let me point out that legislation of this kind savours of class legislation, because it bears directly upon one class of citizens, namely, the civil servants, and others who draw their salaries from the government. Why should not the extra amount be raised by a steeply graduated tax on all incomes, not selecting the civil servants, but putting a tax—an extra tax—on all salaries?

I would point out that this so-called "economy" of this kind is no way of solving the economic problem that confronts Canada at the present time. I think it is recognized by all economists that what we need to-day is increased purchasing power, but legislation of this kind leads to decreased purchasing power. When the ten per cent cut was first made I think the merchants of Ottawa received a very salutary lesson in economics, because most of them experienced in their decreased sales the effect of the cut. The great majority of people spend what is coming to them, so if they have ten per cent less to buy with, that means ten per cent less business. I cannot see that for the sake of saving a few dollars we are justified in adding to the general depression.

Mr. CHAPLIN: The same money to-day will buy twenty per cent more than two years ago.

Mr. WOODSWORTH: Quite so. I admitted that a moment ago. But I say that this cut means a decrease in the general purchasing power, hence a decrease in the general volume of business, and my point was that we are taking that out of the earnings of people and are not making corresponding decreases in the amounts that are being paid to the holders of bonds.

Mr. McGIBBON: May I ask a question? Suppose for the sake of argument you keep the civil servants' salaries where they are, what about the workmen throughout the country who have to pay the same tax on one-quarter or one-half the salaries they had previously?

Mr. WOODSWORTH: I quite admit that a good many workers throughout the country are having their earnings cut down and are placed in a very awkward position. That is one reason I would advocate a measure of inflation, as the only way in which this burden can be at all equitably spread over the entire population.

Mr. McGIBBON: You have not answered my question. I say if you are going to keep the civil servants' salaries at the same rate as before, what about the man who has to pay that salary with half his former income?

Mr. WOODSWORTH: I think I have answered it; that we should raise the general price level and cut down the debts, as we undoubtedly would by a measure of deflation.

Mr. McGIBBON: You do not answer the question. The point is his tax would be doubled.

Mr. WOODSWORTH: No, it would not be doubled. It might be increased. My suggestion is that if we cut down the interest on the bonded debt it would not be increased.

Mr. McGIBBON: That is another question.

Mr. WOODSWORTH: But that is the important question. I venture to submit to the finance minister that he might take into consideration that method of balancing his budget.

Then another point. A flat rate of ten per cent is far from equitable. As we pointed out last year, it is comparatively easy for the men receiving $4,000, $5,000, $6,000, $8,000, $10,000 a year, as some civil servants do, to pay ten per cent of their salaries. It is an altogether different thing for the civil servants who receive perhaps less than $100 a month, some of them around $90 a month. To those not receiving their statutory increases it means an even heavier burden than ten per cent. That does not seem at all like equal sacrifice. I remember seeing a cartoon in an English paper months ago; I do not remember whether I called attention to it here before or not, but it seemed to me to hit the situation off very well. There was a pool of water, a ladder reached up from it, and men were stationed on different rungs of the ladder in accordance with the various grades of salary they were receiving. The man receiving the lowest salary was on the lowest rung of the ladder, his head just above the water line. Other men were up on the higher rungs. The politician comes along: Now, he says, we want equality of sacrifice, everybody one rung down. That is about the situation. Ten per cent is not equal for all. If we are going to carry out a rating of salary reductions it should be a graded percentage, giving exemption to certain people, who are receiving to-day less than a living allowance, and steeply grading it up for those receiving the much higher amounts.

I do not intend to develop again the points which we argued last year, but I wish to state that we must oppose legislation of this kind.

Mr. COWAN (Long Lake): As was his custom, the hon. member for Témiscouata (Mr. Pouliot), flung many taunts at the member for Long Lake. He has been doing that constantly ever since the special session some time ago. I have paid no attention to him whatever and do not intend to waste time on him to-day. He amuses me so much that I get increasing enjoyment out of the things he throws at me. But I might point out to the hon. member that while he is objecting to the economy which this government is practising, the forty minute speech he made to-day has cost this dominion no less than $2,000; and those who have figured up the cost of his speeches during the last session of parliament have arrived at the conclusion that in the past year those speeches cost the dominion no less a sum than $68,000.

An hon. MEMBER: What about the member for Winnipeg North Centre?

Mr. COWAN (Long Lake): I shall come to him later on. I suggest to my hon. friend across the way and to several others that if they would cut down their speeches so as to enable us to get through the session in a shorter time and get back to our homes and business, we could save the money which those same speeches cost, and we could make this cut at the same time.

My real purpose in rising to object to the speech of the hon. member for Témiscouata is to answer a statement he made with regard to the fact that Canada had loaned Newfoundland $700,000. In this connection he said, "Newfoundland is no more to me than Germany." Is that the extent of his loyalty to the British Empire? The French Canadian is said to be the race in Canada most loyal to the empire, but if the hon. gentleman's utterance represents French Canadian sentiment then I say that loyalty is merely lip loyalty. But I refuse to accept what the hon. gentleman says as representing the feeling of the French Canadian people. I have more faith in our French Canadians than to believe his statement. I have no objection to the Germans as such; we have thousands of them in our part of the country and they make the very best citizens. But they were recently our enemies at war, and what happened in that war? Did Newfoundland respond? Did Canada respond? Did New Zealand respond? Wherever the British flag flew we found citizens of the British Empire responding to the call to arms; and to-day if the island of Newfoundland is in trouble and needs support, I do not care whether it is twice $700,000, if we have it I think we are all prepared and willing to give it to them. More than that, if Canada is ever in trouble, I am sure the British Empire as a whole will come to her support as in days gone by. For that reason I resent the statement made by the hon. member, that he had no more interest in Newfoundland than in Germany. A fellow-Britisher is a fellow-Britisher no matter where he is, and he will get my backing and support so far as I can give it; he will get the support of the empire in every corner of the world. The sooner the hon. member realizes that the better.

The hon. gentleman went on, however, to indulge in the discussion of a racial question. What has that to do with the subject which is before us this afternoon? I am sorry that the hon. member who sits right opposite me is not here, but I want to say this here and now. I have been in this house a good many years and I have never raised any religious or racial question, and my hon. friend has done so deliberately. I do not care who knows it,

I am a Protestant; I presume the hon. gentleman is a Catholic. Well, that is his business, just as my religion is my business. The hon. gentleman suggested that the reason I have not defended myself in various attacks that have been made upon me was that I was afraid. Look here, my dear sir, I say to him: you think I am afraid. Well, just change your notion, for you will get it after this every time. Don't make any mistake about that. Don't defy me, because you will find me right on the offensive every time. Let me tell the hon. gentleman that he cannot persecute thousands of people in this country without the inevitable reaction, and he will get that reaction mighty quick. That is my only answer to him.

Now, as to this deduction, I have no objection to the cut of $400, but I am glad that the government has decided not to make any further reduction in salaries. We as members of parliament and leaders in Canada must set the example; otherwise where shall we find ourselves? I accept the present reduction as a necessity, but I would ask the Minister of Finance to note this. We must not balance our budget too rapidly. We are balancing our budget and the provinces and municipalities are endeavouring to do the same, a proper thing to do. But let us remember that in balancing our budgets, the budgets of a million homes in Canada are being drawn upon. Out of that million homes you have to draw the money to enable you to balance your own budget, and we must bear that in mind. The wastefulness and extravagance of hon. gentlemen opposite, when they were in office, were such that it will take twenty years to undo the wrong they did. It will take that length of time. I say therefore to the Minister of Finance, "Take your time and balance your budget, but be conservative."

One more word and I am through. The hon. member for Antigonish-Guysborough and, I believe, someone else on the other side made reference, rather in bitterness, to the appointment of Mr. Milton Campbell to the tariff board. I thought their remarks were somewhat nasty. Let me say that I am in thorough accord with the government in putting a representative of the farmers on the board; yet hon. gentlemen oppose it. I say there is no class in the country more entitled to representation on that board than the farmers, and I am glad—

An hon. MEMBER: Put Brown on; he would be non-partisan.

Mr. COWAN (Long Lake): The hon. gentleman can have the representative of Lisgar if he wishes; I prefer Mackenzie. Mr. Campbell and I have lived in the same province for many years. The Tories could never lick him, the Grits could never lick him. His personality alone has been the secret of his success in his constituency. He has always been independent, he has always done what he thought was right. In this house at times he voted with this party, at times with that. I want to say to hon. members that the appointment of Mr. Milton Campbell as a member of this board will receive the approval of the people of my province. I cannot speak for Manitoba, although I feel sure that his appointment will be acceptable to that province as well. As a representative of an agricultural constituency I think I know something about the needs of the farmer, at least I ought to. Hon. gentlemen opposite, no matter what is before the house, attempt to drag in the tariff. According to them, there is nothing else but the tariff to be talked about. It is an obsession with them. But when they get a man who is an actual dirt farmer appointed to a tariff board, they turn around and sneer at him. I only hope that all the actions of the government will be as good as this one has been.

Mr. RINFRET: Mr. Chairman, my taking part in this debate at this moment is inspired by the views just expressed by the hon. member for West Elgin (Mr. Hepburn). I would not like the country to believe that there is a lack of sentiment in this house in favour of the principle underlying this resolution. I know that many Liberals, both in and out of the house, favour economy, and it is but fair, not only to the country generally but to the party I represent, that we be given an opportunity to express our side of the case.

I do not think it is a good argument against this resolution to point out that the government should have practised economy in other fields. If that is any argument at all, it is one in favour of the resolution. I do agree with my hon. friends on this side that further economies might be practised in connection with other items in the estimates, but the proper time to point that out is when these estimates are before us. If we want further economy in the general expenditures of the government, we should be ready ourselves to give an example. We should accept this deduction with grace and dignity. I believe in this contribution—I prefer calling it a contribution rather than a deduction—first, because of the material advantages it will give to the government in the expedition of business, and, second, because of the moral example given to the country in that, realizing

the serious plight of the country, realizing the position in which thousands of men, women and children are placed in this period of crisis and depression, we are willing not merely to talk about it, to multiply words and speeches about it, but to contribute some of our own indemnities to help the government solve this great problem.

It has been said that the indemnity is in the nature of a fixed obligation on the part of the government. I do not agree with that statement, because the amount of the indemnity has been changed from time to time. Some years ago it was increased; times were prosperous and it was thought that members might be given a little more for their work and the expenses of their stay in Ottawa. The same principle should work the other way: when times are hard, when money is scarce and everybody is making sacrifices, members of parliament should be willing to agree to a reduction in their indemnities.

All public bodies are making similar deductions. We will have to do it in Montreal, if I may be permitted to cite that as an example. When I first took part in the administration of the city of Montreal, my colleagues and myself were hoping that we might be able to carry on without reducing salaries. But we found that that would be impossible. There was not only the financial burden of the salaries, but there was also the pressure from public opinion which demanded that the municipal employees should do their share. We have 40,000 unemployed heads of families in Montreal, which means a very large population of unemployed. I hope I will be understood when I say that I think anyone who to-day has a position and is in receipt of a salary is in a preferred position, especially when compared to those heads of families who although willing to work are unable to find anything to do. This applies not only to the higher salaried people, but even to the charwomen who were mentioned a moment ago. With all due respect to this class of people, I think that even a charwoman who to-day is employed and is receiving a salary is in a preferred position when compared to the many mothers of families who are willing to work but who are unable to find employment. I do not think it is unreasonable to ask these people to contribute their small part to the general welfare of the country.

Another argument advanced is that members of the house, being public men, are asked to contribute heavily to private charity. We all know that these demands have grown with the increased difficulties of the times, but the committee must realize that in times of stress like these we cannot rely on private charity alone. Private charity is absolutely unable to meet the demands made upon it, and must be assisted by the immense contributions of the federal, the provincial and municipal governments. I say without hesitation that I would rather see every hon. member of this house reduce his contributions to private charity by $400 and contribute that amount to be used in a public way for the dispensation of relief. It would be absolutely impossible for a city like Montreal to rely upon private donations alone. I would rather see this extra amount expended through the federal government and used in a public way in order to meet the extraordinary demands of the day.

I am in favour of this resolution. I do not care what its phraseology may be so long as it says what it means. I am quite sure that when the government asks parliament, through its members, to contribute to the general need of the day it will receive a happy reply, not only from the government side but from all sides of the house. I do not think this question should be approached either with levity or with the idea of taking a bitter stand against the resolution; it should not be contended that simply because our indemnities are being reduced by ten per cent the whole fabric of the country is going to fall to pieces. On the contrary, I say in all modesty that we should accept this reduction with grace and dignity. That is my stand upon the matter.

Mr. POULIOT: I have great respect for the hon. member for St. James (Mr. Rinfret) and I like him, but I am sorry to have to disagree with him to-day, because I earnestly and sincerely believe the worry will not disappear from any home until the head of the family is sure of getting his full pay at the end of the week or of the month as was the case in good times. This is the principal argument for which I am against the cut in salaries. I also sincerely and earnestly believe conditions in Canada will not improve until people have no worry about the day after, and the only way to give them a chance to recover from the worry that exists everywhere is to return to the people the salaries that were paid two years ago.

I have listened with attention and very politely to my good friend the Minister of Finance (Mr. Rhodes). He knows I have a great regard for him, and I would do nothing that would be unpleasant to him, but he must admit that the Prime Minister is not the only public servant in the house; we are all alike; he is only the first amongst equals.

I admit he works hard; I give him credit for his sincerity, but from the other side they must admit that we on this side also work hard and they must give us credit for our sincerity and the sacrifices we make. Might I say to my hon. friend that we can discuss the policies and the public acts of the Prime Minister without being personal. If he leaves his car outside the east block; if I see it there and if it is an American-made car, there is nothing to prevent me from saying that he has an American-made car. It is the first thing that one sees. If I cannot say that, I would suggest to the Minister of Finance or to the hon. member for Long Lake (Mr. Cowan) that they have legislation enacted in order to make the person of the Prime Minister sacred in accordance with Roman law, or have it enacted that he is a god and that it is a sin to contradict him or to mention his name in a debate. I have never been personal to any member in the house. The only thing I have done has been to defend my rights as a member.

While I mentioned many matters in connection with the senators, the Minister of Finance said nothing in answer to my suggestion. I hope he will accept it, because it was made in all earnestness.

As regards the Canadian Pacific, we have seen in the press that the government has lent money without interest to that railway company. The Minister of Finance says that this has been done in order to give an opportunity to the Canadian Pacific to open the Angus shops. Well, this was a hold-up of the government on the part of the Canadian Pacific. They had the money to employ the men, but they wanted it without interest. As to their subscription afterwards to the dominion loan, what I have said is exactly what has been reported in the press.

As regards Newfoundland, a matter of sentiment, which I understand, arises; people may have friends or relatives there. That is all very well. The hon. member for Long Lake will understand my point as well as anyone. What I say is that this country of ours extends from the Atlantic to the Pacific, including Prince Edward Island. I am more interested in Canada than in Newfoundland, and Newfoundland being outside the boundaries of Canada is no more to me than is the United States or any other country which is outside the boundaries of this dominion. The people in my county will be ready to do anything for those in any other province within those limits, but we are interested in Newfoundland only inasmuch as our people here are all free from care. We have first to look after our own people in Long Lake or in St. Peters or Témiscouata, wherever they are in Canada. As long as there is in this country one man who is not looked after, we cannot do anything outside. That is my view about the matter. I may be wrong; I may be right. I respect the opinion of others on that point. The question is not one of sentiment; it is one of helping first the Canadian who lives in this country or anyone who has been living here for years. It is the same Canada first policy.

As regards the legation at Tokyo, there is no smoke without fire. I do not know what happened, but what I said was after having read a dispatch in the press about the trip of a Montreal architect to Tokyo in connection with the matter. Mr. Marler might be the most wonderful minister since Metternich and Talleyrand, and he must be very popular with His Imperial Highness and the royal family, and so forth. The Japanese people are good people; they are very well represented in Canada, but my point is that it is absurd to start a Canadian building in Japan until she builds a legation building in Canada and gives the same chance to Canadian workmen in Canada as Canada gives to Japanese workmen there.

In the morning papers I have seen something in the way of educational pictures, "the spice of the program," something from the ginger group. There was the picture of Mr. Milton Campbell, the newly appointed tariff commissioner. I was glad to learn this afternoon that he has been highly recommended by the Klu Klux Klan. It is fair that he has been appointed in lieu of Conservative members who could do better. Mr. Milton Campbell has won the race over his illustrious namesake, Sir Malcolm Campbell, the speed king, and made a new record. I wonder if his accomplishments on the tariff board will be just as notable as those of Sir Malcolm Campbell at Daytona Beach. May I suggest to the government that they retain another five per cent from his salary, if the ten per cent is to apply, in order to supply the newly appointed commissioner with an encyclopedia of general knowledge, because the Minister of Finance knows that there is a great love of books in the far corner, and if he looks back at the speeches delivered by the new commissioner while a member of parliament, he will see there are many quotations. If he does not want the new commissioner to build a shrine in the basement of some printing office, he must supply him with books—and what would be better for him than a nice encyclopedia of general knowledge, the speeches delivered during the election and afterwards by the Prime Minister.

Mr. MacINNIS: In saying a few words in connection with this resolution I shall try to confine myself to the subject matter before us. In the first place I am rigidly opposed to the principle of the resolution itself, and when I say the principle of the resolution I mean the horizontal cut of ten per cent. I am not opposed to a reduction in salaries, a reduction in members' indemnities if such be necessary, but I am absolutely opposed to any reduction in the salaries of those who are getting too little now on which to live. If I gathered his words correctly, the hon. member for St. James (Mr. Rinfret) stated that even a charwoman getting a very small salary should feel privileged to make a contribution at this time. I believe, however, she would feel more privileged if it were not for the fact that some of the contribution she makes goes into the pockets of people who have more money than they know what to do with.

I should like to draw to the attention of the minister some facts with which I am familiar, and I believe that some of the circumstances I shall outline are typical of the conditions in which many civil servants find themselves. I refer to a man in the city of Vancouver who was a full time employee of the government. Because of lack of work in his department he was put on part time, with the result that he is engaged two and one-half hours a day at forty cents an hour, giving him a daily wage of $1. From that dollar there is a ten per cent reduction. Although he receives only $5.40 a week, yet he is working and is not eligible for relief, although he is a married man with a wife and one child. How can a married man support his wife and family on $5.40 a week? I should much rather see a greater percentage deducted from my indemnity, and from the indemnities of hon. members, in order that the salaries of these men might be left as they are. It is all very well to talk about making our contributions, but when from a wage of $1 per day there is a deduction of ten cents I do not think we would urge that conditions are at all equitable, particularly when we know that others of us are getting enough to live decently on, under present standards of living. I am convinced the Minister of Finance is not unmindful of existing conditions, and I should be very happy if he could see his way clear to bring in an amendment to the present legislation which would relieve from the proposed reduction those receiving salaries under a certain amount. I leave that suggestion with the Minister of Finance and with the government. I suggest the minimum should not be lower than $1,000. The loss to the country would not be great, and the feeling of goodwill would be worth far more than any inconvenience the loss of revenue might cause. I ask the Minister of Finance to consider my suggestion, and if it meets with the approval of the government I should like to see an amendment to that effect.

Mr. DENIS (Translation): Mr. Chairman, I shall be brief in my remarks. It is admitted by all that we are undergoing a very serious crisis. Our governments request the co-operation of all citizens, rich and poor. It strikes me that this resolution might have been less exacting from those who are in poor circumstances or in receipt of small wages, and demand larger contributions from those who receive large salaries. When our soldiers were fighting for their country on the battlefield, even sacrificing their life, the large financiers remained at home taking advantage of the war to pile up immense wealth. To-day, the crisis we are undergoing calls for the co-operation of all. I am ready to do my share and to accept a cut in my indemnity; on the other hand I think it reasonable and just to exact a larger contribution from those who receive salaries of $3,000, $5,000, $10,000 and $15,000, than from those who are in receipt of $1,500 to $1,800. On behalf of my constituents, my province, and the whole country, I request that the government compel those who have wealth to contribute on a larger scale and collect a smaller contribution from those who receive wages hardly sufficient to give bread to their dependents. We have in this country a large number of millionaires who contribute nothing to the revenues of the State. They have loaned their millions to the government, at 6 per cent; they own no property and pay no taxes; therefore, I deem it only just to request them to contribute their quota in order to help the country to extricate itself from the straits we are in.

At six o'clock the Speaker resumed the chair and the house took recess.

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## After Recess

The house resumed at eight o'clock.

The house resumed consideration in committee of the resolution of the Minister of Finance (Mr. Rhodes), that it is expedient to continue in force until March 31, 1934, the provisions of the Salary Deduction Act, 1932, Mr. Pickel in chair.

Mr. MACKENZIE KING: Mr. Chairman, the minister stated he thought that the mem-

bers of the civil service had a feeling of delight that the reduction had not been more than ten per cent. I should like to ask the minister if he had any consultation with any representative body of the civil service before making this extension of the ten per cent reduction for another year.

Mr. RHODES: I would not wish to be misunderstood in the statement I made that the members of the civil service were delighted that the salary cut had not been greater. That statement was made in private conversations I have had with members of the civil service. It has no reference whatsoever to the main portion of the question of my right hon. friend. Last autumn—I had forgotten the exact date—I asked for a conference with representatives of the various civil service organizations. We met and took some considerable time discussing the whole question of possible salary cuts for this year. There were present at that meeting, V. C. Phelan, of the Civil Service Federation; V. L. Lawson, of the Civil Service Association; L. S. McLaine and J. L. Rannie, of the Professional Institute of the Civil Service; Fred Knowles, of the Amalgamated civil servants; J. J. Reeves, of the Letter Carriers; G. M. Donnehy, of the Railway Mail Clerks; W. N. Duncan, of the United Postal Employees, T. H. Burns, of the Customs and Excise Association, and A. H. MacDonald, of the Printing Bureau Association. Our discussion was along general lines, and the meeting concluded in this form; that if it were felt that a larger cut than ten per cent would be called for I would reconvene them and confer with them further. While I did not say so in terms at that time, the clear inference from the nature of my discussion with them was that the probabilities were that it would be necessary to make a ten per cent cut this year.

Mr. MACKENZIE KING: I would ask the minister, was any reference made at that conference to the—implication I will call it—of the Prime Minister at the last session to the effect that this deduction would be for only one year? I remember at the time the matter was being discussed the Prime Minister made it quite clear that the intention of the government at that time was that the cut should be only for the period of one year, and I asked specifically whether it was felt that that assurance could be lived up to. My hon. friend will find in Hansard of February 26, at page 564, the following statement by the Prime Minister:

> In this instance the bill which will be founded upon this resolution has force for one year only. As the resolution itself indicates, the bill will expire on the 31st day of March, 1933. It has no vigour or life beyond that date, . . .

Of course that was perfectly true of the bill. But what was in the mind of the house at the time the matter was being discussed was the possible continuance of the provisions of the bill. I know such was the case in my own mind, because I said at the time, as reported on page 568 of Hansard.

> If it is a measure to effect economy in the public service, that would imply that these salaries are being reduced with a view to having them permanently maintained at a lower level. I say the ministry cannot be too emphatic or too clear in making its exact position known in that regard.

I then stated that I gathered the Prime Minister was giving that assurance, and continued:

> . . . I take that from his statement that this measure would have effect only until March 31 of next year. The Prime Minister says it will have no vigour of life beyond that date. Again I should like to accept the prime minister's word, but I am not too sure of what may happen at the end of that time, and I refer to it at this moment in order that there may be some record of this aspect having been considered at this time.

After pointing out that we were being asked to extend the provisions of another measure for a period longer than was understood at the time of its enactment, I concluded by saying:

> So I say, with that motion on the order paper, indicating a position diametrically opposite to that which my right hon. friend took at the time of the introduction of the measure, we must be particularly cautious in accepting my right hon. friend's words as to the length of time for which the present measure will be in force. However, I do accept them, and I hope my right hon. friend will see to it that what he has said in that regard will be given full value when the time comes.

I think it is quite clear that at that time the government was giving an assurance to the service that this cut would not be continued beyond a single year. I mention it as one more promise, which, I am afraid, has gone into the discard. I might ask my hon. friend whether he contemplates that at the end of another year there may have to be a renewal of this year's bill, or whether he hopes or believes that the reduction may not be continued for more than another year.

Mr. RHODES: In reply to my right hon. friend the leader of the opposition, I cannot agree with him in his point of view that a promise was broken by our having brought this measure in this year. The deduction was made last year for a period of one year. There

was no undertaking with respect to what might or might not have to be done in the future With respect to the question whether this point was raised in the discussion I had with the representatives of the various organizations, I speak from recollection, but I think with accuracy, in saying that point was not raised at all.

My right hon. friend asks what will happen another year. I can only say that I would rejoice if the government were in a position not to call upon the civil servants for a similar sacrifice another year. The answer as to what may happen at that time will depend upon the stress of conditions, which alone is responsible for the circumstance that we appear before the house to-day again asking for a deduction for this one year. I do not know that I can say anything further than to assure my right hon. friend that as far as I am concerned, and I think I am speaking for the government as well, we shall rejoice if no further sacrifice along this line has to be called for. But I may say to my right hon. friend, lest there be any misunderstanding, that if conditions next year should happen to be as serious as they are at the present, and sacifices are called for, another bill of a similar character may be introduced. But I sincerely hope that will not be necessary.

Mr. MACKENZIE KING: Just one further question. The Civil Service Commission, I believe, has by statute the duty of fixing salaries and classifications. Has my hon. friend had any conference with members of the Civil Service Commission regarding the effect of the deduction of last year, and with respect to the possible effects of the continuance of that deduction upon members of the Civil Service for another year?

Mr. RHODES: Yes, we covered the ground very fully in the conference to which I made reference. I think there was hardly a phase of the various enactments and measures which have been taken with respect to promotions, salary increases, appointments and so on, which was not very fully discussed.

Mr. MACKENZIE KING: No, I mean with the Civil Service Commission as a body.

Mr. RHODES: Perhaps I did not get the full import of my right hon. friend's question.

Mr. MACKENZIE KING: I understand the first conference was with representatives of the civil service organizations, that is a conference with a group of civil servants. I am asking about a conference with the Civil Service Commission itself.

Mr. RHODES: No; as far as I am concerned and as far as I am aware, there was no conference with the Civil Service Commission with respect to the matters in question.

Mr. DENIS (Translation): Mr. Chairman, when the house rose at six o'clock, I was stating that it is the workmen and labourers who have suffered the most during the war. In the present crisis, it is the same people who suffer the most, and governments have failed to understand their responsibility and duties when, instead of helping this class in weathering the crisis, they have contributed in increasing the number of unemployed by dismissing a considerable number of employees.

In requesting civil servants, members, and senators to contribute in relieving the distress, I think the government is wrong because in cutting down the salaries of civil servants they simply decrease their purchasing power. We must, in order to remedy the financial crisis take effective means, create this purchasing power which at present is lacking. All our financial and industrial institutions have contributed largely to spread the crisis by diminishing the purchasing power of the people and dismissing a large number of employees.

If there be a class of society which should contribute to relieve the present day distress, it is certainly the one that profited the most and even disregarded the laws of this country by overcapitalizing its enterprises and taking more than reasonable profits. It strikes me that these industrialists and financiers, instead of sitting on their capital, should have placed it at the disposal of their employees so as to afford work or at least help to those who assisted them in amassing this enormous wealth.

Mr. Chairman, it is more than time that this government seriously considered the enactment of social laws to restrain the ambition of financiers. I recall a few years ago an act was passed by this House to prevent trade coalitions. However, daily, we witness certain corporations absorbing other companies and organizing coalitions which greatly contribute to increase the hardships of those who suffer and to maintain the cost of production at a high level. It would be necessary, to-day, that laws be enacted to force these over-capitalized corporations to revert to their original capital so as to cut down the cost of production. Is it reasonable, is it rational, that a government which needs revenues should apply to financial companies and offer them a rate of interest as high as 6¼ and 6½ per cent, such as those that were granted by the government, not on the last loan but on previous loans. I think that the

country is quite solvent and if there is a borrower who should pay the lowest rate, it is certainly the government; a rate of 3½ or 4 per cent would have been sufficient. The administration boasts of having done a great deal for the unemployed. The government had blank cheques voted to them so as to help the unemployed and distribute doles—an entirely false and immoral principle. Our friends, sir, on the extreme left have charged the present regime with favouring capitalists. Our governmental regime is not one of capitalism. If to-day, it seems to be so, it is because the members who compose it are inclined to favour financial interests to the detriment of the other classes of society. A free hand was allowed to these financiers thus fostering their inclination and ambition. When in the future we grant powers to certain companies who solicit the government, it should be stipulated that their capital can no further be increased, and that over-capitalization be prohibited in order to forestall coalitions as they exist to-day. We have mergers in lumber, water powers, gasoline, and coal etc. etc. These abuses should cease and we should not allow that the people be thus exploited. Speeches delivered by our friends on the extreme left are purely academic. They are the kind of people who wish to appear in the limelight, besides being extremists. What is needed is not a change but a reform of the present regime. A sound and wise administration must be given to the country in keeping with the interests and needs of the people. What is especially wanted at the moment, is work. It is absolutely impossible for governments, either federal, provincial or municipal to supply work to all. Corporations will be compelled to carry on their operations and it will be necessary for the government to permit them, through a moderate tariff policy, to sell their products with advantage on the world markets. Tariff barriers have had no other result than to paralyze industry and bring hardship upon us. What is needed is not a change in the administrative regime, but a reform; tariffs must be reduced and our products must find a market abroad in order to give work to our people.

We must be on the alert; the storm is on the horizon; we must not rest on laurels won by false and sham promises; we must return to a sound policy, one profitable not only to some but to all. The weak point of the present administration is to ignore such a policy. I think, if the government adopted higher ideals, we could easily weather this crisis by giving work to those who have none, creating this absolutely necessary purchasing power, and this aim will not be reached by thanking employees for their services, and cutting down their salaries, or allowing higher officials to enjoy large salaries and preventing the lower classes in the public service earning a decent livelihood.

Mr. Chairman, as I stated a short while ago, the time has come not to change our economic regime but to reform it and return to a sound policy, one of patriotism, and not one of sham as advocated in order to capture the popular vote and later on favor friends, increase the number of large financiers and drive the people to greater distress.

Mr. CARMICHAEL: I listened attentively to the last speaker but I must confess that I could not tell whether he was expressing the same views as I shall put forward. Prior to the dinner hour, however, there were two spokesmen from this corner representing, as they would suggest, labour particularly. I do not admit that myself because I also represent labour; in fact my whole constituency is a labouring constituency. The point of view of the direct labour representatives as expressed more particularly by the hon. member for Winnipeg North Centre (Mr. Woodsworth) does not indicate the feelings of the farmer representatives; at least it is not my own point of view. When we consider that the farmer's revenue has diminished to almost the vanishing point, so that he is scarcely able to make his living, a mere reduction of ten per cent in our sessional indemnity does not look very big to him. Indeed, I think the average agriculturist would suggest that we should be reduced considerably more than ten per cent.

So far as the wages are concerned, which the farmer pays to labour directly employed by him, they have been considerably reduced compared to what they were a few years ago; they have been reduced far more than ten per cent. It is only a matter of three or four years ago that the farmers were paying fifty and sixty dollars a month wages for the summer in my own district. This last year, or for the last two years in fact, they have been paying twenty, twenty-five and thirty dollars for the same work. The day wage a few years ago was five, six, seven and even eight dollars, whereas during the past two years it has been only a dollar and a half and two dollars.

The farmer cannot adopt the point of view which the labour representatives hold, of increasing wages in order to start a boom. He simply cannot do that; he has not the wherewithal to do it. Think of the young ladies and gentlemen engaged in the teaching profession. In the western country a few years

ago they were drawing from a thousand to twelve hundred dollars a year and they have been reduced more than twenty per cent, many of them having had their salaries cut in half. Indeed, I heard of one young man who went out teaching for a salary of fifteen dollars a month plus board rather than be idle, and in many cases rural schools are closed because they cannot afford the salaries.

Mr. McGIBBON: One school in my riding advertised for teachers and they got an offer from one who was prepared to teach for his board.

Mr. CARMICHAEL: That is going one better. Knowing these conditions in our agricultural areas, the representative of an agricultural constituency would be very nervy indeed to oppose a ten per cent reduction in his own indemnity. Last session I took a similar point of view, that it was the only fair thing to do for us to contribute something towards meeting the financial needs of the country, and I think that in general the house contributed their ten per cent without very much objection. I should like, however, to point out here a certain inequality in the way members are treated this session compared with the session of a year ago. A year ago we came here on February 4 and continued until the 26th of May and then went home, and I do not think anyone minded the ten per cent reduction; at least we were all able to come back for the fall session. But this session, I would point out, has been divided into two sections. We met on October 6 and continued in session until November 26 and then we had the option of going back home and remaining there for two months, then coming back to Ottawa, or continuing to reside in this city, paying the high rents asked and the other additional living expenses for the two months. Those of us who live four or five days' journey from Ottawa, and some who live still farther away, find it quite expensive coming to this city and returning home. Those who live close to Ottawa, in Quebec or in Ontario, may not see this point quite so forcefully as those of us who live in the west or in the maritimes, but it costs us a good deal of money to travel.

Now, we are allowed an expense account for one trip down here and back, that is, supposing the session to start on a certain date and we continue in session until the business of the house is concluded, when we return home. But this session there has been a break of two months so that there has been a double expense coming here and going back. I think in fairness to hon. members who live a considerable distance from Ottawa, the government—perhaps the Minister of Finance will advise us whether he thinks the government could take this into consideration—possibly by way of an expense account, could reimburse us our expenses. I have no objection to the $400 deduction, but if we are to be subjected to additional inconvenience and double expenses, I think it is only fair that we should be given some consideration.

Mr. RHODES: The point raised by the hon. member for Kindersley (Mr. Carmichael) is a good one. There is no doubt a hardship is imposed upon hon. members who have had to pay double travelling expenses through no fault of their own because of the division of this session. This matter has received the consideration of the government. I find that under the act only one railway fare is allowed per session, but the same point arose, I think during the session of 1926-27, and the extra expenses were covered by a supplementary estimate; there was a vote to provide an additional allowance for travelling expenses. It is my anticipation that when the supplementary estimates are brought down this year, they will contain a vote to meet the objection raised by my hon. friend.

Mr. DUFF: For once my hon. friend and myself agree. I agree with him that we who come from the far ends of this country are entitled to special consideration. For instance, I spent thirty-four hours on the train in one place between Moncton and Newcastle, cut off from telephonic and telegraphic communication of any kind. Perhaps that may have been a good thing in these days when most any news is bad news. I assure the Minister of Finance that if he brings down an item to pay our additional expenses for this session, I will support it.

My hon. friend and I both come from fishing constituencies in the province of Nova Scotia. We have in our constituency a number of lighthouse keepers, and in the discussion this afternoon we apparently misunderstood one another's language. I do not belong to the Oxford movement, I was not born with a silver spoon in my mouth, and consequently my English is not quite as good as it might be. If an apology is necessary, I apologize to the committee for using language which could not be understood. Apparently my good friend the Minister of Finance either took my English literally, or did not quite understand it, because he said that I had accused him of being a party to the dismissal of a lighthouse keeper in the county of Richmond in his constituency. I am sure

that upon reflection he will agree with me when I say that he is the last man in Canada with whom I would want to have a difference of opinion.

An hon. MEMBER: Why?

Mr. DUFF: For several reasons which I shall be glad to explain in camera. I am sure the minister will be just as anxious as I am to have this matter cleared up, so that we may start anew. The Minister of Finance in replying to what I had said in connection with the lighthouse keeper on Green island, made the statement that I had accused him of being responsible for the dismissal of that lighthouse keeper. He said at page 1881:

When my hon. friend made the statement that I had dismissed a lighthouse keeper—

I then replied that I did not say that at all, and the minister continued:

I leave it to Hansard and to the judgment of this committee. If my hon. friend did not say so in so many words, he left a clear imputation; otherwise, why refer to it?

Let me refer back to what I am reported as having said. Hansard reports me as follows at page 1877:

—for instance, my hon. friend must have noticed a few days ago that in his constituency, a poor lightkeeper, a returned soldier, was fired from his position on Green island, and a new man appointed, not a returned soldier, and this new man has to take a reduction of ten per cent.

I think the committee will agree with me that there is no inference in that statement that I accused the Minister of Finance of dismissing this lighthouse keeper. My language this afternoon may not have been as clear as it should have been, and I want the committee to know exactly what I said. I was accused by the Minister of Finance of making the statement that he had fired this lighthouse keeper.

Mr. RHODES: I did not say that; I said that the inference in what my hon. friend said was that I was guilty of having dismissed him. I did not go quite as far as my hon. friend now says I did. I may say to my hon. friend that I am prepared to accept his statement that that is what he said.

Mr. DUFF: My conscience has been sort of bothering me. I was accused of making a statement that the Minister of Finance had fired this lighthouse keeper. A little further on the minister evidently had it in mind that I was accusing him of doing something which I know he would not do, that is, fire a poor lighthouse keeper.

[Mr. Duff.]

The Hansard report says at page 1882:

—my hon. friend left the imputation upon this committee that I had been responsible for the dismissal of a lighthouse keeper on Green island.

The statement I made was as reported on page 1877:

—for instance, my hon. friend must have noticed a few days ago that in his constituency, a poor lightkeeper, a returned soldier, was fired from his position on Green island, and a new man appointed, not a returned soldier, and this new man has to take a reduction of ten per cent.

There is nothing in that language to support the contention of the minister that I accused him, either inferentially or otherwise, of dismissing that lighthouse keeper. I may have said what I should not have said, but I think my hon. friend will agree that I was very careful in my statement in regard to this dismissal. However, the fact remains that a returned soldier was dismissed, and another man put in his place.

Before I sit down I should like to refer to one or two other matters which the Minister of Finance mentioned this afternoon. I want again of course to be careful in my language. When my hon. friend says, as he did this afternoon, that in Ottawa the civil servants were rather pleased or delighted that they did not receive a reduction of more than ten per cent and that this city was in a better position than any other city in Canada, he evidently is not quite in touch with conditions in Ottawa. There must be some reason for old Knox church being now the headquarters for the relief committee from the city. As the Ottawa newspapers stated yesterday, they are looking after four thousand families, the heads of which are out of employment. Surely if the heads of four thousand families in Ottawa are out of employment, the condition in this city is not as good as we would like it to be. Consequently, when my hon. friend says that Ottawa above all other cities can afford to take this ten per cent cut, he is not in touch with conditions here. Ottawa benefits more from the salaries of civil servants than does any other city in Canada. It is made up mostly of people in the employ of the government, and any reduction in their salaries has a detrimental effect upon the city. This is evident from the fact that in old Knox church a committee is at work looking after four thousand families the heads of which are out of employment. Consequently, I say again, as I said this afternoon, it is poor policy for this government to make a reduction of ten per cent in the salaries of civil servants or of anybody else.

What was the result last year? Is my hon. friend's position as Minister of Finance any

better than it was before the reduction took place last year? He was compelled then to come to the house with his budget in which, if my memory serves me rightly, as Minister of Finance he showed a deficit of some $50,000,000. Is he in any better financial position to-day because of the fact that he has reduced the salaries of civil servants in Ottawa and, indeed, all over Canada? Oh, no, because even with that amount in the coffers of the government, I have no hesitation in saying that when the budget is brought down this year, instead of the deficit being $50,000,000, it will be almost double that amount. It is penny wise and pound foolish policy to reduce the earning power of our workers—because our civil servants are workers. What is the result of the government in their wisdom deciding to reduce the salaries of civil servants? Almost every business firm in the country said to its employees: We must reduce your wages; the government has set us the example; the government says that in order to carry on the affairs of the country, in order to balance the budget, it must reduce the salaries of civil servants all over this country by ten per cent, and we as business men must follow its lead and take ten per cent off your salaries. What has been the consequence? Not a saving of $2,000,000 or $3,000,000, which the government thought to save by this reduction, but throughout this country the purchasing power of the people has been reduced not $5,000,000 but $50,000,000. I say to the Minister of Finance and to the government that it is poor, foolish policy to take ten per cent off the salaries of civil servants or anybody else if they are giving good value, because there is bound to be a reaction and this policy will have a bad effect in all parts of Canada. I appeal to my hon. friend, who is a reasonable man on most occasions. It is not good policy to make this reduction. What will it mean? It will mean a mere bagatelle in the affairs of the country. What difference does it make in his budget whether the deficit is $100,000,000 or $102,000,000, especially when the $2,000,000 would be circulated from the Atlantic to the Pacific? My hon. friend can never save the country by this reduction of ten per cent, because as Minister of Finance he is setting a bad example to the Canadian Pacific, the Canadian National and every other business in Canada to reduce wages and consequently restrict the purchasing power of the people.

Mr. RHODES: Let me at once assure my hon. friend that I accept without question his statement as to what he said, and as to the interpretation that was placed on what he said this afternoon I hope he will appreciate the fact that I took in perfectly good faith what I thought was a proper interpretation under the circumstances.

Just one other word. Whatever the merits may be as to the principle whether we ought or ought not to make a reduction of ten per cent in the salaries of civil servants, I should like to point out that the reduction is not a mere bagatelle.

Mr. HEAPS: Will the minister say what the saving is?

Mr. RHODES: Last year it amounted to $8,300,000. It will be approximately the same this year, except that vacancies have arisen in the public service and the service has not absolutely required that those positions should be filled. There will therefore be a contraction in the service this year, so that the sum will not be quite as large, but it will be something over eight million dollars for the ensuing fiscal year.

At this stage of the session, except by consent, we cannot get into supply, on departments not previously taken up, on a day other than Monday or Tuesday, and this is the only opportunity we shall have of moving into supply. It would appear that this resolution will not speedily pass, so in these circumstances I move that the committee rise, report progress and ask leave to sit again.

Mr. CHEVRIER: May I ask the Minister of Finance whether the statutory increases and promotions will be restored this year?

Mr. RHODES: No, they remain as they were last year, excepting this: that the treasury board will do this year as it did last—in cases of an exceptional character where upon the merits there ought to be promotions and increases, those individual cases will be dealt with on their merits.

Mr. POULIOT: May I ask a question of the hon. gentleman?

The CHAIRMAN: There is a motion to report progress.

Mr. POULIOT: It is just a question.

The CHAIRMAN: The rule is that the moment a motion is put that the committee rise and report progress, I must put it to the committee. If the committee consents, I have no objection.

Mr. RHODES: I have no objection.

Mr. POULIOT: This afternoon I said that the government had lent without interest

$1,500,000 to the Canadian Pacific Railway Company and that on the other hand the Canadian Pacific Railway Company had bought Dominion government bonds to the value of $2,000,000 bearing interest at 4 per cent, or practically that. In regard to that the minister said: It is untrue. I wonder what part of my statement is untrue—because it is based on facts reported in the press.

Mr. RHODES: I think I made that very clear this afternoon. As regards the first portion of the statement with respect to the matter of $1,500,000, I pointed out, while it was lent to the Canadian Pacific, the purposes for which it was really advanced. As to the second portion of that statement, I pointed out that the Canadian Pacific did not subscribe to a single bond.

Mr. POULIOT: Even indirectly?

Mr. RHODES: Even indirectly, so far as I am informed.

Mr. POULIOT: But it appeared in the press.

Progress reported.

## SUPPLY

### DEPARTMENT OF JUSTICE

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

Exchequer Court of Canada

Contingencies—judges and court officials' travelling expenses, remuneration to sheriffs, etc., printing, stationery, etc., and $150 for judges' books, $7,500.

Printing, binding and distributing court reports, $3,000.

Item agreed to.

### DEPARTMENT OF PUBLIC WORKS

Harbours and Rivers

Saint John—channel improvements, $350,000.

Mr. POULIOT: I would like to ask the minister who paid for that most illuminating booklet we have just received from the Saint John Harbour Commission, which contains such a beautiful portrait of the Minister of Marine, a neighbour of the Minister of Public Works. I have received this publication, one of great size, containing extensive propaganda about imperial trade and the last Imperial economic conference. I should like to know who pays for such propaganda.

Hon. H. A. STEWART (Minister of Public Works): I can understand the hon. member's curiosity, but unfortunately I cannot satisfy it. The matter to which he has referred does not come within the jurisdiction of my department.

[Mr. Pouliot.]

Mr. POULIOT: I suppose it was printed in camera?

Mr. STEWART (Leeds): I do not know.

Mr. ELLIOTT: What was the expenditure last year? Was all but $12,000 of the total amount spent? I see there is a revote of $12,000. Further, I should like to know the work proposed to be done during the coming year.

Mr. STEWART (Leeds): This item is to provide for the continuation of work in Saint John harbour, contract for which was signed in the year 1930 pursuant to order in council dated July 14. It is expected that the work will be completed during either the current or the coming fiscal year. The work is extensive, involving an expenditure of about $1,250,000, and payments are made from year to year. For the current year the estimated expenditure will be $338,100.

Mr. ELLIOTT: Will that amount complete the work?

Mr. STEWART (Leeds): The construction is being carried on on a unit basis, but it is not expected that the appropriation this year will be sufficient to effect completion.

Mr. ELLIOTT: Could the minister give us any idea as to what amount will likely be required for the completion of the work?

Mr. STEWART (Leeds): The total estimated cost is $1,249,532.19. The estimated total expenditure to the end of the present fiscal year will be $749,532.19, leaving an estimated balance to complete the work of $500,000, of which we are asking this year for $350,000. A further sum of about $150,000 will be left for next year.

Item agreed to.

Quebec

Beebe—building for immigration and customs purposes, $1,500.

Dominion public buildings—improvements and repairs, $120,000.

Montreal armoury—payment of instalment on purchase of armoury, $15,140.

Montreal—postal terminal building, $500,000.

Quebec citadel—improvements and maintenance, $15,000.

Ste. Anne de Bellevue—public building—under contract, $2,000.

Trout River—building for immigration and customs purposes, $14,500.

Westmount—armoury—payment of instalment on purchase of armoury, $13,000.

Mr. CASGRAIN: I notice in the estimate that there is an appropriation of $500,000 for a postal terminal building at Montreal. Is it the intention of the government to proceed with that work this year?

Mr. STEWART (Leeds): I can only say to my hon. friend that this is simply a repetition of an item which we have had for the current fiscal year and possibly for the year before. I am in hopes that circumstances will permit the awarding of the contracts and commencement of the works this year. However, as the hon. member knows, these expenditures are made from revenue, and when revenues contract the expenditures of the Department of Public Works, which are perhaps more controllable than those of other departments, are sometimes curtailed. There are occasions when we are not in a position to proceed with works provided for in our estimates. I do hope, however, that we will be in a position to proceed this year with the work. The building is needed, our plans are well prepared, and I am looking forward to some action.

Mr. CASGRAIN: We have had the vote for a good many years but we have not the building, and the people in Montreal are asking that work be started and employment given. I think it would help unemployment a great deal if the government would go on with this building; it is greatly needed in Montreal.

Item agreed to.

Ontario—Dominion public buildings—improvements and repairs, $125,000.
London—tractor for postal purposes, $2,600.
Port Arthur examining warehouse—renovation of heating plant, $8,500.
Toronto—payment of instalment on purchase of armoury—under contract, $29,500.
Toronto armoury—government's share of cost of local improvements, $1,730.
Toronto — postal station "A" — mechanical equipment and improvements—under contract, $11,000.
Windsor — public building — under construction, $500,000.

Mr. SANDERSON: What public buildings are included in these improvements and repairs, and where are they?

Mr. STEWART (Leeds): As I understand it, my hon. friend is inquiring as to where we propose to make the expenditures from this vote. That of course, will depend upon what we find the requirements to be. It is a general vote for improvements and repairs found necessary upon examination by the district architect, and reports from him. There is no specific allocation of it in advance.

Mr. SANDERSON: Not for any part of it?

Mr. STEWART (Leeds): No. I can tell my hon. friend where we have spent in prior years, but it does not follow that there will be expenditures on the same buildings in succeeding years—heating and plumbing repairs, painting, roofing, lighting, general repairs such as buildings require from time to time. Some of them we have had to delay somewhat. It will depend upon how urgent they are; the most urgent will be taken care of.

Mr. SANDERSON: How does the minister arrive at the estimate? Is it just a bulk amount covering the province?

Mr. STEWART (Leeds): From our experience over a period of years it is found that an average can be arrived at. We are taking the same amount we had last year, which I think is smaller than we have had in some other years.

Mr. ELLIOTT: I want to ask my hon. friend in regard to the renovation of the heating plant in the Port Arthur examining warehouse. That is a repair matter, but I assume it will be done by contract. Am I correct?

Mr. STEWART (Leeds): This is requested by the chief architect. The district resident engineer recommended that two boilers be replaced, as they are in a bad state of repair. It was late in the season, and it was decided to make temporary repairs and carry them through to the next year. It is a matter certainly that would be done by tender.

Item agreed to.

Alberta — Calgary—armoury — repairs and alterations, $30,000.
Dominion public buildings—improvements and repairs, $5,000.

Mr. ELLIOTT: What is the nature of the repairs and alterations to the armoury, and are they to be done by public tender?

Mr. STEWART (Leeds): I assure my hon. friend the former Minister of Public Works that the practice of the department adopted by him and by my predecessors of inviting tenders for works of this kind will be continued.

Mr. ELLIOTT: I may say to my hon. friend, I do not know of any better example.

Item agreed to.

British Columbia

Dominion public buildings—improvements and repairs, $45,000.
Esquimalt—repairs and improvements at R.C.N. barracks and H.M.C. dock yard, $10,600.
Vancouver armoury—payment of instalment on purchase of armoury, and installation of fittings, $18,000.
Vancouver public building—to meet one year's interest at 5 per cent on mortgage of $400,000, $20,000.

Mr. HANSON (Skeena): A question that has been before this house on former occasions, the public building at Prince Rupert. It has been promised consideration, and that is all. Some time last year the lease expired on the building in which the federal offices are situated. I understand that the government renewed the lease for one year, and that they were going to make an appropriation at least to start a building in the city of Prince Rupert this year. It is needed, as the minister knows very well; it has been brought to his attention by boards of trade and by representatives of the different political parties, and it is not a political question. It is not necessary for me to repeat what has already been said in this house on several occasions in regard to this building, but as I notice there is nothing in the estimates I would ask the minister again if he would give this his consideration and if it would be possible to have it in the supplementary estimates.

Mr. STEWART (Leeds): In reply to my hon. friend who has from time to time mentioned the construction of a public building at Prince Rupert, and who has by correspondence and otherwise set forth the requirements of that city, I can only say that we have a site, but that the construction of the building would involve an expenditure of approximately $100,000; we have many requests to which unfortunately at this time we cannot accede, and this is simply one of many of the same character. I cannot promise my hon. friend that in view of the condition of the revenue I can hold out much hope of providing for it in the supplementary estimates.

Mr. HANSON (Skeena): Is it then the intention of the government again to lease the building now occupied? Because I understand the lease is expiring shortly; it was renewed for only one year.

Mr. STEWART (Leeds): As no building will be constructed, of course we shall have to continue accommodation in rented quarters. Whether the lease will be renewed or not will depend upon the suitability of the quarters and whether more desirable quarters are available at a lesser rent.

Mr. REID: What is the Vancouver public building on which the minister has to meet one year's interest at five per cent?

Mr. STEWART (Leeds): That is a building upon which there is a mortgage, which building was acquired by the Dominion of Canada. This provides for payment of interest on the mortgage.

[Mr. Elliott.]

Mr. NEILL: Is that the Winch building?

Mr. STEWART (Leeds): The Winch building.

Mr. ELLIOTT: For how many more years will that interest be payable?

Mr. STEWART (Leeds): The mortgage is past due, und until we are in a position to pay off the principal we must continue to pay interest on it.

Mr. MOTHERWELL: As the minister doubtless knows, the Indian school at Labret was destroyed by fire last fall, and everyone was expecting it would be rebuilt in the spring. As that item is not here, I presume we may look for it in the supplementaries.

Mr. STEWART (Leeds): That is under the control not of the public works department, but of the Department of Indian Affairs, and they have their own estimates. I am sorry I cannot give my hon. friend the information he requires.

Mr. MOTHERWELL: That will be satisfactory.

Mr. ELLIOTT: With regard to the $4,500 for alterations and improvements to the old post office building at Saskatoon, for what purpose is it proposed to use that building now? What are the proposed alterations?

Mr. STEWART (Leeds): The alterations proposed are to make it suitable for accommodating the mounted police. That force has been augmented and has taken over police duties for the province and consequently it requires the additional accommodation.

Mr. ELLIOTT: Will that be let by tender?

Mr. STEWART (Leeds): I think so. If the work is such that specifications can be prepared and it can be done by tender, that course will be followed.

Item agreed to.

Rents, Repairs, Furniture, Heating, etc.

Ottawa public buildings and grounds—

Elevator attendants, $109,000.

Departments generally—char service, including $135 to E. Snowden for firing the noon gun, $420,500.

Heating, including salaries of engineers, firemen and watchmen, $435,000.

Light and power—including roads and bridges, $225,000.

Repairs, improvements, additions and maintenance, $397,000.

Rideau Hall—allowance for fuel and light, $19,000.

Rideau Hall—improvements, furniture and maintenance, $40,700.

Telephone service, $82,500.

Water, $75,500.

Rents, Repairs, Furniture, Heating, etc.—*Con.*
Dominion public buildings—
Dominion immigration buildings — repairs, improvements, additions and furniture, $25,000.
Dominion quarantine stations—maintenance and repairs, $15,000.
Fittings, general supplies and furniture, $80,000.
Heating, $445,000.
Light and power, $333,000.
Rents, $1,720,000.
Salaries of caretakers, engineers, firemen, etc., $1,062,000.
Supplies for caretakers, engineers, firemen, etc., $60,000.
Water, $80,000.
Yukon public buildings—rents, repairs, fuel, light, water service and caretakers' salaries, $27,300.
Victoria, B.C. — astrophysical observatory (Little Saanich mountain) — maintenance, repairs, and improvements, $4,000.

Mr. POULIOT: How much cement was bought under this item?

Mr. STEWART (Leeds): I have not that information. This provides for our requirements for the coming year; we have not bought any yet.

Item agreed to.

Harbours and Rivers

Nova Scotia

Under contract—
East ferry—wharf and shed, $700.
Lunenburg—dredging, $24,500.
Yarmouth harbour—dredging, $90,000.
Essential undertakings—
Cow bay (Port Morien)—to repair breakwater and complete extension, $4,500.
Devil's island—breakwater repairs, $10,500.
Digby—dredging, $34,000.
Finlay point—improvements, $3,000.
Grand desert—harbour protection, $2,600.
Lower L'Ardoise—breakwater reconstruction, $14,400.
Little Judique Ponds—Groyne, $1,500.
Little River—mooring piers, $5,000.
Meat Cove—breakwater extension, $1,800.
Sandy Cove—breakwater repairs, $11,900.
Seaside (Harbourview) — wharf extension, $4,900.
Seaforth—breakwater extension, $5,000.
Spencer's Point—wharf improvements, $3,600.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $200,000.

Mr. RALSTON: I want to make a representation to the minister with regard to the blanket item of $200,000 for harbours and rivers generally, for maintenance of services, "no new works to be undertaken." As the minister probably knows, a very severe storm has swept the coast of Nova Scotia recently and it has done a great deal of damage to a number of small wharves and breakwaters there. Reports are coming to me and, I have no doubt, to the minister with regard to the matter. I was hoping that this vote could be so broadened that it might be possible for essential work in the way of renewals to be undertaken—I am not speaking of new works. These small wharves and breakwaters are very essential in order that the fishing industry may be carried on. They provide shelter for the fishing boats and harbours which are not naturally available, and they make it possible for the fishermen to have their boats lie afloat so that they can go out at a comparatively reasonable hour instead of having to go out on the tide, as would be the case if their boats were aground. It is not a matter of luxury but of absolute necessity; it is essential to the carrying on of their business. It affords employment and enables the fishermen through that to give assistance to the community. Does the minister consider this vote wide enough, assuming the amount were large enough, to undertake essential renewals of that kind in connection with small wharves and breakwaters seriously damaged by the storm?

Mr. STEWART (Leeds): I can understand my hon. friend's anxiety about this class of wharf, particularly in Nova Scotia where for the past two or three years there have been experiences similar to the one which he now relates. This vote is calculated to take care of just such improvements as he has mentioned, and the reference in the vote to the fact that no new works are to be undertaken means simply that we cannot start anything new, any new wharf out of the vote, but that it is intended to repair, rebuild or renew any existing structure, which I understand is what my hon. friend is urging. The report of the engineer comes in from time to time setting out the conditions and recommending those structures most in need of repair.

Mr. RALSTON: I may tell the minister that I addressed a letter to him to-day with reference to one particular structure, the partial demolition of which has come to my attention, a structure at the Hawk off Cape Sable island and another at Port La Tour where a part of the wharf has been rendered unusable. I want to commend these to the favourable consideration of the minister, and I shall bring to his attention others that are in need of repair.

Mr. STEWART (Leeds): The whole of our vote last year was expended in this way and I am sure that this amount will not be found too large for our requirements. I shall certainly take my hon. friend's representations into very serious consideration.

Mr. RALSTON: I hope the vote will not be found too small.

Mr. DUFF: I think the minister will agree that this vote is for repairs which do not necessarily involve a great deal of money. It has been put in the estimates every year for a great many years to cover repairs costing a thousand dollars or five hundred or two hundred dollars, and seldom has it exceeded five thousand. I agree with my hon. friend from Shelburne-Yarmouth, although I do not think he has gone far enough. In my opinion this item will be required for the ordinary repairs that have to be made every year, but it will not cover the extraordinary circumstances as outlined by my hon. friend. The minister will no doubt get the engineer's reports shortly showing what has happened in Nova Scotia and in the maritime provinces in the last fortnight, and he will find that $200,000 will certainly not cover the requirements. In my own constituency, I have so far heard of several places where there will have to be repairs to existing wharves and breakwaters, and from the information that has come to me the cost will be at least $100,000. These repairs are absolutely necessary if the fishermen are to prosecute their vocation, and consequently I would urge on the minister that, while this vote is essential to take care of small repairs to wharves and breakwaters, it will not fill the bill presented both by myself and my hon. friend from Shelburne-Yarmouth.

Mr. QUINN: I wish to add a word or two to what the two previous speakers have said on this subject. On January 29 and 30 we had an unusually severe storm along the southeast coast of Nova Scotia, particularly affecting the constituency of my hon. friend from Shelburne-Yarmouth, the constituency of Halifax, the constituency of my hon. friend from Antigonish-Guysborough and other points; and though I appreciate the fact that this vote of $200,000 is for ordinary expenses in connection with repairs, I would point out that there will be an unusually great demand for repairs owing to the destruction caused by the storm of the last two days of January. There are three letters of mine now in the mail addressed to the Minister of Public Works, directing his attention to three breakwaters and wharves in the county of Halifax which need attention, and I am sure others will be added to that list. If the minister cannot enlarge this item in the main estimates, I suggest that some provision be made in the supplementary estimates.

Mr. MACDOUGALL: I should like to say a few words with regard to this vote covering public works in the province of Nova Scotia. I may say that times without number I have interviewed the minister and I always found him sympathetic regarding my representations. I feel that he has done everything within reason to assist the fishermen in my constituency. I sympathize with the hon. member for Antigonish-Guysborough and the hon. member for Shelburne-Yarmouth in the pleas they made for the fishermen of Nova Scotia, but I am rather sorry that hon. gentlemen opposite have not taken advantage of their position as members of the house to go to the minister to ask for estimates for their constituencies. If in making my plea I include the fishermen in the constituencies of Antigonish-Guysborough and Shelburne-Yarmouth, I hope my hon. friends will not hold it against me.

I am not satisfied with the appropriations made for public works in the province of Nova Scotia. I may say to the minister that I do not hold anything against him personally; I have always found him willing to go out of his way to help the province of Nova Scotia, irrespective of political affiliations. But the fact remains that insufficient appropriations have been provided. The government is contributing direct relief, in many cases to people who do not deserve it, and consideration should be given to these fishermen. I am sure my hon. friends will agree that this matter should be kept entirely out of politics. Without wanting to criticize the minister personally, I may say that if some recognition is not given to the claims of these fishermen, this government or any other government is going to hear from me. I think in taking that stand I will have the support of my hon. friends opposite. I believe that in the constituency of Antigonish-Guysborough there are public works which should be provided, and I know that in my own constituency that is the case.

I should like to mention an instance at Broad Cove Marsh. Before giving the particulars, I may say that at the last election the vote in this district was about four to one in favour of my opponent. People in this district have never been in receipt of charity and they do not want charity; they would sooner jump into the sea and drown themselves. Because of inadequate public works these people are forced to go seven miles in order to land their fish. I will not stand for such a condition, whether it is a Conservative or a Liberal government in power.

Mr. POULIOT: Will you stand for the results of the imperial conference?

Mr. MACDOUGALL: I think my hon. friend said enough this afternoon. These people are descendants of old highland Scotch

people. They have never asked for charity; all they want is a chance to live. I intend to give them that chance. I realize the difficulty which the government is facing, but, to use a local expression, there is going to be blood on the moon if a wharf is not provided at Broad Cove Marsh. I do not care if I am read out of the party for taking this stand; I do not care what happens, I am going to see that these people who have never looked for charity, who would never take relief or anything, are given a chance to live. They are among the best citizens in the province, and at that many of them are Liberals. The chief engineer of the department was down there to look over the whole situation and his opinion was that a wharf should be provided. It is not provided for in the main estimates, and I am going to do my best to see that it is provided for in the supplementary estimates. Either that, or I am going to get out of politics.

Mr. DUFF: There is a seat over here for you.

Mr. MACDOUGALL: Nothing doing. These people should be given a chance to earn their living, and I am not confining my remarks just to those in my own constituency.

Again I state that the minister has always been very fair in his dealings with me; he has always gone out of his way to do what he thought was right. But I am afraid that these estimates are not the right thing for the people of the province of Nova Scotia. I know the constituency of my hon. friend from Antigonish-Guysborough probably as well as he does. I know that appropriations should be made to construct works to enable the fishermen in his county to carry on their vocation. If the government is prepared to give direct relief, not in all cases, but in some cases to bohunks, and in some cases to people who really do not deserve it, why should these old pioneers who have built up this country not be given at least a chance to live?

Mr. STEWART (Leeds): In reply to my hon. friend, who has made to me privately the representations he has made here tonight, I may say that with regard to Broad Cove Marsh we have had two or three wharves carried away. The engineer is down there endeavouring to find a site where there will be more probability of the wharf remaining, and I hope we shall be able to take more care of it in the future.

Mr. RALSTON: The minister and his officials will bear me out in this, that I have repeatedly made to him and his officials representations privately as well as by letter with regard to the matters of which I have spoken and also with regard to a number of public works which I regret very much not to see in the estimates.

Mr. STEWART (Leeds): That is quite true.

Item agreed to.

Harbours and rivers — New Brunswick — Shippigan—wharf extension and repairs, $25,300.

Mr. ELLIOTT: What is the nature of the repairs to be done?

Mr. STEWART (Leeds): This is required to construct a triangularly shaped extension and to block up the four outer spans of the existing wharf to give greater stability to the extension, and also to effect urgent repairs to the structure.

Mr. ELLIOTT: Just what proportion of the expenditure will be extension and what proportion repairs?

Mr. STEWART (Leeds): The extension is $23,000, and the estimated repairs, $2,300.

Mr. ELLIOTT: Therefore it is really a new structure as to the $23,000. This will be done by public tender, I assume?

Mr. STEWART (Leeds): Yes.

Item agreed to.

Harbours and Rivers—Quebec

Under contract—
Riviere la Guerre — contribution towards dredging, province of Quebec to bear a like amount, $23,000.
Essential undertakings—
Anse au Canard—improvements to training piers, $2,100.
Anse au Griffons—to complete wharf improvements, $3,500.
Anse au Griffons (river)—improvements to jetties, $12,200.
Batiscan—freight shed, $1,350.
Champlain dry dock—keel blocks, $26,000.
Doucet's Landing (Ste. Angele de Laval)—wharf improvements, $7,900.
Havre au Maison, M.I.—wharf, $5,200.
Isle Verte—wharf reconstruction, $13,300.
Matane—repairs to harbour works, $24,100.
New Carlisle—wharf reconstruction, $22,000.
Paspebiac (Robins)—wharf extension, $25,000.
Petit Cap—breakwater reinforcement, $20,000.
Rimouski—wharf repairs and improvements, $47,100.
Ste. Emelie—wharf reconstruction, $18,000.
Timiskaming dam—reconstructing Quebec side, $70,000.
Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $400,000.

Mr. CASGRAIN: I see under this item the term "essential undertakings." Does the government mean by that that only those items that are mentioned there are considered

essential in the province of Quebec; that there are no other works just as essential that have been omitted?

Mr. STEWART (Leeds): It is the same wording that has been used in connection with the other items. These are considered essential and that is why we are undertaking them. In these times we are not undertaking anything that we do not consider essential. I quite agree with my hon. friend that this does not include everything that is essential, but we consider these more urgent than others.

Mr. CASGRAIN: I should like to know if the minister has received recently from the authorities of the municipality of Havre St. Pierre on the north shore of the river St. Lawrence certain requests regarding improvements to the wharf at that point.

Mr. STEWART (Leeds): I have received petitions and representations and I think a request by my hon. friend for work there.

Mr. CASGRAIN: Will the government undertake to place in the supplementary estimates an item to cover that work?

Mr. STEWART (Leeds): I cannot promise my hon. friend that I shall place any item in the supplementary estimates. I shall give it consideration, have a report secured, and then we shall consider whether an item will be placed in the supplementary estimates.

Mr. CASGRAIN: Is that work considered essential?

Mr. STEWART (Leeds): At this stage I cannot say.

Mr. CASGRAIN: My hon. friend must have the report and the petition from the municipality. I think it is essential and I have recommended it as such. I should like to find out from the minister whether any new development has taken place with reference to the request that was made last year with regard to improvements at a place called Shelter Bay in connection with a wharf there.

Mr. STEWART (Leeds): Very strong representations have been made in connection with additions to that wharf, which is one owned by the Ontario Paper Company, constructed at their own cost, and which is in need of extension or some strengthening. Unfortunately we did not feel we could at this time meet their request for this rather heavy expenditure.

Mr. CASGRAIN: With reference to some other works that were apparently carried on last year at a place called Grande Bergeronnes in the county of Saguenay, I should like to know what amount of money was appropriated to enlarge the berthing facilities of that wharf, who was in charge of the work and who recommended it?

Mr. STEWART (Leeds): As I recall the matter, my hon. friend has within the last few days put on the order paper a question and also a motion calling for an order for return of the papers in connection with that. I can assure him that these will be brought down speedily and if they do not contain the information he desires, I shall undertake to give it to him.

Mr. CASGRAIN: At Tadoussac in the county of Saguenay I understand of late certain works have been carried on by the federal government in cooperation with a gentleman named Imbeau, regarding the construction of a dry dock. I should like to know what arrangements have been made in connection with the construction of that dry dock.

Mr. STEWART (Leeds): As I recall the matter, a small amount, approximately $1,000, was spent in dredging at that point for the purpose of improving a rather natural harbour for the repair of small ships. A request is being made for a further expenditure and a report of the engineers is being secured as to the desirability of the work.

Mr. CASGRAIN: With reference to certain works that were carried on last summer at that very same place, Tadoussac, I think it is my duty to read to the committee certain extracts from a letter which I received from the mayor of that place, Mr. Ernest Bourgoing, as to the manner in which the works are being carried on under the present administration. If the committee will bear with me for a few minutes I shall read the letter, which is addressed to me. It is as follows:

(Translation):

Ernest Bourgoing,
General Merchant,
Tadoussac Co. Saguenay, Que.
Tadoussac, Jan. 3, 1933.

Mr. Pierre F. Casgrain, M.P.,
Montreal.

Sir,

You have no doubt received a petition signed by many Tadoussac people as a protest to the way the work in connection with the wharf is distributed.

The government is having some work done to relieve the unemployed and the local conservative leaders distribute the entire work among their families and relatives, including brothers and brothers in law, they do not even give work to people belonging to their party. This petition was first started by discontented conservatives, I signed it myself because the injustice was too flagrant; those who are really in want cannot find work and the municipality is obliged to support them. There are, included

in this family circle that is given work, some who have been working the whole summer season on the telegraph line along the Northern coast. One among them was able to save as much as $800 on the men's board and when he returned here he was given work on the wharf, while the heads of large families who are really in need cannot find work. Furthermore, the lumber which enters into the wharf is cut by the farmers to whom they only pay $18 per 1,000 ft. delivered on the wharf; at that price the farmers only earn 75 cents to $1 per day, while these local conservative leaders resell it to the government at $25 per 1,000 feet. Therefore, they are the ones who make large profits without even handling this lumber while those who do the work earn beggarly wages. Would it not be possible to find out the exact price this lumber is sold to the government? The local conservative leaders Arthur Deschênes, Johnny Maher, etc., and Johnny Gagnon, the foreman on the job, contend that the petition will be of no avail; however, take the necessary steps to inform the government that the money granted for the unemployed finds its way into the pockets of those who are the least in need.

Trusting to hear from you shortly,

(signed) Ernest Bourgoing.

In other words, Mr. Chairman, it would appear that at that particular point some work had been carried on under the authority of the federal government, but the only people who were able to secure work were those who did not need it. Only a few friends of the people higher up in the Conservative party, and men in a very limited family circle—we might call it a family compact—have been able to secure work. So that the money provided to assist people who needed work has not gone to them. There is a suggestion that certain timber is being bought and sold to federal government authorities at a huge profit, the proceeds going into the pockets of people who do not need it. The statement is made that these high chiefs of the Tory party in that particular district are not much concerned about what the government may say, because they assert they know how to fix things up so that their little game will not be disturbed. I should like to know if the condition I have described actually obtains. The mayor of this place, Mr. Ernest Bourgoing, is a most reliable citizen, and enjoys the respect and confidence of his people. I am sure he would not write such a letter unless conditions were such as he has described.

Mr. STEWART (Leeds): We have not received complaints such as those the hon. member has described. Had they been received I assure him an investigation would have been launched long ago. Our district engineers have strict instructions to see that value is secured, that no excessive prices are paid, that there is no profiteering, and that in the distribution of work efforts are made to secure competent men and to have it given to those in greatest need. I am sorry if any condition such as described by the hon. member exists, and if he will take the responsibility of saying that they are so, or that we are warranted in going to the expense of an investigation, it will be launched to-morrow.

Mr. CASGRAIN: I am pleased with the reply of the minister. My only authority is the letter I have read. Further, I read the letter in the exact terms in which it is couched. It is now on Hansard, and I shall be happy to send a copy of the minister's statement to the people in my district. If they are in a position to substantiate their statement I shall communicate further with the minister.

Mr. POULIOT: Before the minister recovers from his surprise and astonishment I shall tell him something more. There is a wonderful spot on the earth called Cacouna, in the province of Quebec. Last year a sum of money was spent on the wharf at that point. Most of the time there were two foremen in charge of two men. One foreman was named Roy and the other Dumont, each having to look after one man. Many men were employed at the wharf, but each for only a short time; they were employed mostly two by two or three by three throughout the summer. The two foremen did not take more men, so that their work would last longer. Roy and Dumont were very busy looking after the two other men. One had a chisel in his hand and the other a hammer. On the hammer there was an apparatus for pulling out nails, so that when he hammered a nail he immediately pulled it out, because it had been hammered in the wrong direction. Then he proceeded to put it in again. All this took place under the vigilant eyes of one foreman. Then, the other one used his chisel to give a satin finish to the timber in the wharf. All of this, Mr. Chairman, is most ridiculous. Certainly it did not relieve the unemployment situation. I have been told by reliable people that two young men about fifteen or sixteen years of age were employed fifteen days doing some painting which could have been done by a good man in two days. Another young man was very busy carrying wood shavings from the wharf to a small building nearby, putting those shavings in bags and taking them to the home of the foreman. I am informed that some of the paint left over was used to decorate a sailing boat or canoe belonging to a good friend whose home happened to be near the wharf. It was a family affair, and did not help the unemployed at all.

There are many unemployed at Cacouna. Last year and the year before the minister

was fair enough to allow a grant for public works at that place. This year however it would seem that he must have been told by some interested people that Cacouna no longer suffered from unemployment, and probably he has decided that work should no longer be given to the unemployed but only to a small group of special friends. It is pretty hard to tell who are the friends of that small group, because it is only a small family gathering. No doubt the minister has not heard about these circumstances before, and as I have great confidence in his fairness I have no doubt he will see to it that such conditions do not exist in the future.

And yet the Minister of Public Works is very smart. He says, "Here are the essential undertakings; they do not amount to very much." But in the tail is the poison, because I find at the last of item No. 117 the following:

Harbours and rivers generally, for maintenance of services, no new works to be undertaken, $400,000.

This is for the good of the community. I hope the minister will be good enough to tell me what happened to that general vote last year. I remember that last year there was a vote en bloc like this one, and very few questions were asked. I should like to know what was done with the money then voted, and what has been decided with regard to the $400,000 asked this year.

Mr. STEWART (Leeds): This appropriation is a repetition of one that has been in the estimates for a number of years, except that the amount is smaller than in previous years. The appropriation for 1932-33 was $413,800, and we had authorized to January 15th, $391,140.12 and expended to January 31st of this year, $351,887.91. So we are spending most of it.

Mr. POULIOT: That is very good, but I would like to have the details—not each bill that has been forwarded to the government, but the amount that has been spent in each place in that general vote of last year. I do not want to impose on the minister; I shall be satisfied if he will put it on Hansard in order that we may have the information. As it stands now we have fog behind and fog ahead of us; we do not know what has happened in the past and do not know what will happen in the future. It is most important to know how that money has been spent. I will not ask the minister to read that information for half an hour or an hour, but I want to have it at hand. May I suggest that he be kind enough to give it to Hansard in order that it may be printed to-morrow so that each member can get the information?

[Mr. Pouliot.]

Mr. STEWART (Leeds): My hon. friend is entitled to the information he asks for, and I appreciate his desire that the time of the committee be not unnecessarily taken up by the reading of fifteen pages with about fifteen items to each page, and a statement of the expenditure at each and every place. My hon. friend will find each year in the Auditor General's report the details of these expenditures.

Mr. POULIOT: It comes too late.

Mr. CASGRAIN: We should have them before.

Mr. STEWART (Leeds): I have no objection, if the house desires, to read these fifteen pages, or put them on Hansard as suggested. If there is any particular place my hon. friend wishes to inquire about I can give that now, or I will put it on the table.

Mr. CASGRAIN: Put it on the table of the house.

Mr. LAPOINTE: I submit that this new policy is wrong, to put in the estimates an amount which is twice as large as the rest of the estimates for the province, without giving any particulars or details. The whole amount for Quebec harbours and rivers is $720,750, and of this amount $400,000 is put there generally, without any particulars or details. I agree with the hon. member for Temiscouata that this is wrong. The committee should be given particulars of the work which is to be done by the department under this item. It is all very well to say that in the past there has been a general item of about $400,000, but surely it was not always half of the total amount. I believe parliament is entitled to know specifically what works are to be carried on under that item.

Mr. STEWART (Leeds): I quite agree with the principle the hon. member has enunciated. Parliament is entitled to the fullest information, and as far as this department is concerned, and I am sure the same is true for every department, it will be given. But my hon. friend must agree that it is impossible now to say what wharves will be damaged by storm, where repairs will be needed. Just as has been pointed out in connection with the province of Nova Scotia, where a storm has occurred, our engineers have not been able to make their investigation and report. It is just to cover conditions of that kind, and unforeseen emergencies, that this vote is asked. My hon. friend is quite

right when he says that this amount is larger in proportion to the other items than in past years. That is simply because the program has been curtailed. But these repairs, these unforeseen emergencies that come up, recur about the same in each year; therefore we cannot curtail that vote. Our program has been limited practically to repairs.

Mr. POULIOT: Does that amount of $400,000 include relief work by the Department of Public Works?

Mr. STEWART (Leeds): We have no relief work as such. I think my hon. friend will remember that it was determined as a matter of policy in consultation with the provinces that public works should not be undertaken purely as relief for unemployment.

Mr. POULIOT: But it was done in the past.

Mr. STEWART (Leeds): It was one year.

Mr. POULIOT: As I say, I do not wish to impose on the minister by asking him to read those fifteen pages, but I would like to know how I shall take cognizance of that information. Will the information be laid on the table or published in Hansard?

Mr. STEWART (Leeds): I should think the requirements would be met by tabling them, and if my hon. friend wants a copy of them I will send it.

Mr. CASGRAIN: I should like to have a copy of them myself.

Mr. POULIOT: What has already been decided with regard to that item of $400,000 for the coming year?

Mr. STEWART (Leeds): Nothing has been decided, no allotment made, because we have not sufficient information upon which to make an intelligent allotment. But we cannot undertake new work.

Mr. POULIOT: Does the minister wait until after the storm to decide what is to be done?

Mr. STEWART (Leeds): We certainly do not provide for repairs caused by a storm before the storm takes place.

Mr. POULIOT: So the hon. gentleman must be in consultation with the weather bureau all the time. You see, Mr. Chairman, I like the minister, but I have to be a little careful. Will the minister be kind enough to tell me when he will table the information referred to?

Mr. STEWART (Leeds): Now.

Mr. POULIOT: Then will he move that the committee rise in order that we may have an opportunity of glancing at these pages before proceeding further?

Mr. CASGRAIN: I second the motion.

Mr. STEWART (Leeds): I think what my hon. friend desires might be accomplished by leaving one item of the estimates open, upon which discussion may take place.

Mr. POULIOT: Certainly, no objection. Thank you very much.

Mr. RAYMOND (Translation): Mr. Chairman, I wish to obtain some information in connection with this item of $23,000 to dredge the Guerre river. I understand that this river situated in Chateauguay-Huntingdon county, is being dredged to drain the adjacent lands; only the waters of this river will flow into the St. Louis river which is situated in the next county—that of Beauharnois. I fear that in draining the lands along the course of the Guerre river, the adjacent lands of the St. Louis river will be flooded.

Will the hon. Minister inform me whether steps have been taken to prevent the flooding of lands along the course of the St. Louis river.

Mr. STEWART (Leeds): The matter will be called to the attention of the engineer. I am sorry I have not been able to follow the hon. gentleman but my colleague has explained what he is inquiring about and I can assure him that attention will be given it. The engineers will be asked to look into his request.

Mr. RAYMOND: I do not know whether my information is correct, but I am informed that the department has already received a report from the engineer to the effect that there is great danger of flooding the lands in the vicinity of Rivière St. Louis. That is the effect of the dredging of Rivière la Guerre. Although I am not opposed to this item, I think the government should take the necessary steps to protect the proprietors of land situated in the vicinity of the Rivière St. Louis.

Mr. STEWART (Leeds): The work that is being done is calculated to remedy the conditions to which my hon. friend refers. No report such as he mentions has been called to my attention. I shall inquire about the matter to-morrow.

Mr. RAYMOND: Can I have the assurance of the minister that if there is any flooding of land in the vicinity of Rivière St. Louis the government will take care of the situation?

Mr. STEWART (Leeds): I should not care to go as far as that without further information as to the cause of flooding.

Item stands.

Ontario

Under contract—
Leamington—harbour improvements, $93,000.
Midland—harbour improvements, $73,000.
Essential undertakings—
Belleville—dredging, $22,500.
Blind River—dredging, $47,000.
Cobourg—dredging, $17,000.
Depot Harbour—dredging, $15,200.
Fort William—wharf extension, $6,500.
Key Harbour—harbour improvements, $15,000.
Kincardine—harbour repairs and improvements, $18,000.
Oshawa—harbour improvements, $35,000.
Port Hope—dredging, $12,400.
Rockport—wharf, $1,900.
Sault Ste. Marie—harbour repairs and improvements, $13,000.
Sydenham and Chenal Escarté—dredging, $19,000.
Toronto—harbour improvements, $22,300.
Wallaceburg—wharf and warehouse, $9,500.
Windsor—warehouse extension, $60,000.
Harbours and rivers generally for maintenance of services, no new works to be undertaken, $200,000.

Mr. LUCAS: What work is being carried on at Oshawa?

Mr. STEWART (Leeds): The development of a harbour, consisting of dredging and the construction of wharves and warehouses. It was undertaken, I think, in the year 1929 or 1930 and is being continued as funds will permit, with very satisfactory results. A great deal of tonnage is being handled with increased payments for wharfage coming in.

Mr. LUCAS: What class of shipping goes through there?

Mr. STEWART (Leeds): Coal, sugar, automobiles going out and general freight coming in.

Mr. ELLIOTT: With regard to harbours and rivers generally, I want to ask a question similar to that asked by my hon. friend from Témiscouata with respect to the other vote. Would the minister tell us what the general vote for harbours and rivers generally was for the year 1930-31?

Mr. STEWART (Leeds): We have not the information for that year but for the last year, which was the same as this. I will get it and give it to my hon. friend.

Mr. ELLIOTT: I would suggest that the same thing apply to this item 118 so that the matter may be properly discussed, because the question does arise whether or not too great a proportion of the total amount expended for harbours and rivers in the province is being left entirely to the discretion of the minister.



Mr. STEWART (Leeds): I will table the same information with respect to this item as with regard to the other so as to enable my hon. friend to see how the expenditures are made. They are very general and widespread.

Mr. HEPBURN: Can the minister give us an explanation with regard to the vote of $60,000 for warehouse extension at Windsor?

Mr. STEWART (Leeds): That is for the construction of a proposed new warehouse for the accommodation of the Canada Steamships traffic for which they pay rental.

Mr. ELLIOTT: If my information is correct, and I have glanced through the estimates, the general amount put in in the year 1928 was $50,000; the general amount for harbours and rivers in 1929-30 was $75,000; in 1930-31 it was $85,000. We have now, in these times in which we find ourselves, for the year 1932-33—I do not happen to have the figures for the year 1931-32—the sum of $200,000, and for the year 1933-34 it is also $200,000. Does not my hon. friend think that in an expenditure such as this, amounting to $680,000, $200,000 this year and last, as compared with $50,000 in 1928, for this particular vote, is leaving entirely too much to his discretion? Does he think that he is putting himself in a proper position?

Mr. STEWART (Leeds): Only $93,000 was spent last year, and the object of taking the vote in this way is, as I have said, to meet conditions for which we do not feel justified in making special provision in the estimates. If it becomes absolutely necessary to take care of the situation we shall have the funds, and if it is not necessary the expenditures will not be made.

Mr. ELLIOTT: I understand exactly the idea of the minister and the object he has in mind, but this is leaving a very large amount entirely in the discretion of the minister; anyone can see that. It does seem to me that in the curtailment of expenditures on public works which has been rendered necessary owing to the circumstances in which the country finds itself at the present time, the minister's discretionary powers have been greatly enlarged. They have been increased from $50,000 to $200,000, and he is putting himself at the mercy of importunate members who will be asking for expenditures during the year. I happen to know something of the difficulties to which a minister of public works

is subjected, even when he puts through estimates for nearly everything, but when these matters are left to his discretion, he is putting himself in a very unfortunate position. I think he should submit to the committee the expenditures which are intended to be made. After all, that is what the estimates are for.

Mr. STEWART (Leeds): None of it can be used for anything in the nature of new work, it is only for the maintenance of existing services and repairs. The vote is limited in that way, and the minister has very little discretion. I think the expenditures for last year show that the department has been able to resist those importunities inasmuch as we have expended only $90,000 out of a vote of $200,000.

Mr. ELLIOTT: Apparently the government has no faith in its being able to resist these requests nearly as well for the coming year, because the amount is being increased from $90,000 to $200,000.

Mr. STEWART (Leeds): It is the same vote as last year.

Mr. ELLIOTT: Last year the minister spent only $90,000 out of a vote of $200,000. It seems to me that that is a good argument for limiting it to $100,000 this year.

Mr. STEWART (Leeds): The department had the same latitude last year, but in view of the financial stringency, certain works were delayed. I have one case in mind, the dredging at Cobourg. This has usually been done annually; it was not done last year, but there is every possibility that it will have to be done in the coming year. I suggest that this item stand in the meantime.

Item stands.

Department of Agriculture
Contributions to empire bureaux, $21,000.

Mr. POULIOT: According to the official publications the exports of agricultural products are not so bad, but the farmer has to ship three times as much of his products in order to obtain the same return as he did a few years ago.

The CHAIRMAN: I suggest that we confine the discussion to the item.

Mr. POULIOT: The item covers contributions to empire bureaux, and I suppose that they are a sort of clearing house for the farmer. I am discussing the exportation of farm products, but if this is not relevant I will not proceed. I have no desire to be disagreeable to the minister, but I think it my duty as a member of this house to take up this matter which is of such vital importance to the farmer. As I said the other day, there are only two matters which are of interest to the people of Canada, unemployment and agriculture. I do not attach any blame to the government, I am only seeking information which will be satisfactory to the farmer. Last year some time, I forget whether it was in the first part of the year or the first part of our previous session, I asked a question on the orders of the day in connection with the imports of butter from either Australia or New Zealand. My information was that some butter has been imported and no duty had been imposed but the minister said that I was wrong. I should like to know what happened to that butter, in view of the rock-bottom prices which have been prevailing for Canadian butter.

Hon. ROBERT WEIR (Minister of Agriculture): I suggest that any discussion in connection with dairy products be taken up under the proper items.

Mr. MACKENZIE (Vancouver): What are these bureaux and how much goes to each one?

Mr. WEIR (Melfort): Each dominion makes a contribution; the total contributions are pooled and the money is used in research and the gathering of other information in connection with agriculture. The findings are disseminated to the various dominions in order that they may derive the benefit therefrom. There are three bureaux to which contributions are made. The first is the Imperial Agricultural Bureau, £3,125; the Imperial Bureau of Entomology, £1,000, and the Imperial Bureau of Mycology, £300. This makes a total contribution of £4,425, or $21,535, taking the pound at par.

Mr. MACKENZIE (Vancouver): When were these various bureaux founded and where are they located?

Mr. WEIR (Melfort.: I am sorry I have not that information before me.

Mr. MACKENZIE (Vancouver): Are they all located in London?

Mr. WEIR (Melfort): I believe they are all located in the United Kingdom with branches throughout the country, such as at Aberdeen.

Mr. VALLANCE: In view of the lack of information available to the committee, I think that this item should stand. Surely the committee is not going to vote $21,000 as contributions to imperial bureaux when the

minister cannot tell us where they are. They may be located in South Africa, Australia, the Fiji islands, or even in Canada. We should have accurate information. As the minister does not seem to have his deputy or other officials in front of him to supply this information, I think the item should stand.

Mr. WEIR (Melfort): Just where the information is gathered has no bearing upon the value of the work performed.

Mr. MACKENZIE (Vancouver): We do not question that at all. Surely the committee is entitled to the information. We are asking the minister where the bureaux are located, what is their history and what they do. We should not be asked to vote $21,000 for an item which we do not understand and about which we are told nothing.

Mr. WEIR (Melfort): I believe this agreement was reached first in 1927 and was for a period of ten years. The centre of accumulation of information is, as I understand the matter, in London, but the information is gathered from various research bureaux, too numerous to mention, throughout the whole empire.

Mr. MACKENZIE (Vancouver): Do I understand that the information that goes through this bureau goes through the Department of Agriculture, and if so, what officials in that department are responsible for correlating the information?

Mr. WEIR (Melfort): Through the office of the deputy minister.

Mr. POULIOT: I do not understand why we should pay one cent to a research bureau situated outside Canada when we have a research bureau of our own where there are people who are just as competent as those who are in those bureaux the location of which the hon. gentleman does not know. In Ottawa on Sussex street, not far from here, there are competent men who do excellent work and in the minister's own department there are excellent cerealists and others who are experts in every branch of agriculture. There was Mr. Mackintosh, the discoverer of the famous apple. I do not see why we should make any contribution to a research bureau outside this country. We might subscribe to publications issued by bureaux that exist outside Canada, and I have no objection to that. We might occasionally have lectures from people who come from outside this country, but what interest have we in supporting these bureaux if they are of no benefit to us ? If the minister tells us what benefit those bureaux are to the Canadian farmer, perhaps I may reconsider my opinion in regard to the matter.



Mr. WEIR (Melfort): This money is used not to support research laboratories in any part of the dominion, but as a means of setting up machinery to collect information as to discoveries that are made in various research laboratories throughout the empire so that we shall have the benefit of this without any expense to us other than this small amount.

Mr. POULIOT: Is that not what is done in this country? What are these people doing in our own research bureaux?

Mr. WEIR (Melfort): In our own research bureau they carry on certain research work. The result of that research work, when completed and thoroughly substantiated, will be sent to the central bureau, whence it will be disseminated to the various dominions so that they will be able to avail themselves of it without any expense other than that for the support of the bureau.

Mr. POULIOT: The minister has answered me very nicely. I reconsider my opinion.

Mr. VALLANCE: I have no objection to the $21,000 being voted. I realize, as the minister says, it is a very good thing for the various dominions and colonies of the empire to have a bureau such as this from which information may be disseminated to all other parts of the empire. The item "contributions to empire bureaux" explains itself, but still I think the minister should be able to say where the bureau is, whether it is in London, the seat of the empire. If there are several of them, we should know where they are. If they are all in the British Isles, I do not think that is good policy. Just as much research in certain lines is done in Canada as is done in the British Isles. Industrial research might be more expeditiously carried on in the British Isles, but so far as agriculture is concerned, we might at least expect to have a bureau located in Canada. We know we have our own dominion bureau. Now we have an empire bureau, and we should like to know where it is.

Mr. WEIR (Melfort): When this empire agreement was reached by the dominions, it was decided it would be advisable that the bureau be located in the United Kingdom. The agreement is for ten years, and during that period there would be ample time to bring the matter to the attention of the authorities if it were felt necessary at the end of that time to make a change.

Mr. MACKENZIE (Vancouver): Is the bureau under the supervision of the British Minister of Agriculture?

Mr. WEIR (Melfort): I would say yes.

Mr. VALLANCE: Surely the minister sees the justice of our demand. I do not think we should pass an item amounting to even $21,000 without knowing where the bureau is located and who has control of it. The minister, I think, is rather doubtful. He says that it is located within the United Kingdom. If so, it naturally would come under the administration of the Department of Agriculture of the British government. I do not think this item should pass until we have the information. We do not wish to be insistent, but we are within our rights. I would ask that the item stand.

Mr. WEIR (Melfort): I have no objection to the item standing, but so far as the bureau itself is concerned, I think we realize it is merely the machinery for collection and distribution of information, and it makes very little difference where it is located so long as the different dominions have agreed upon the point at which it would be located.

Mr. VALLANCE: We have this empire bureau. Is there any one specific thing the minister can tell us that has been contributed from the bureau and that has not been developed by research in Canada?

Mr. WEIR (Melfort): One item to which they have made a great contribution and that we have not undertaken very extensively in this country has been carried on in the Rowett Institute at Aberdeen under Doctor Orr. It is perhaps the greatest work done in the world on nutrition, the uses, otherwise unknown, that can be made of very cheap feeds, such as potatoes and vegetables that otherwise would be wasted, and that the feeders in Scotland in olden times felt were of such little use that they considered they had to use much more expensive feeds.

Mr. MACKENZIE (Vancouver): Does the minister say that one of the bureaux is located in Aberdeen?

Mr. WEIR (Melfort): One of the research laboratories.

Mr. REID: Has any Canadian been sent over there?

Mr. WEIR (Melfort): There is a Canadian now at the Rowett Institute. I think his name is Mackenzie.

Mr. VALLANCE: I am not making an effort to delay the committee, but it is through the questions we put to the minister that the public is able to learn what is happening. That is the only way they have of obtaining knowledge as to why these moneys are voted. I say quite frankly that some of the actions of the government should be advertised, and this matter should be given all the publicity possible. For that reason I suggest that the item stand.

Mr. MACKENZIE (Vancouver): We may be asked by some of our constituents regarding this matter. I could not give them the information, because the minister has not been able to give it to us. I think it is reasonable to ask that the item stand, so that the information may be brought down later.

Mr. WEIR (Melfort): There is a report covering a good many pages issued by these empire bureaux. If the committee so desires I shall bring down that report and read it from cover to cover, or lay it on the table. I suggest laying it on the table.

Mr. STEVENS: We are merely giving the minister an opportunity to open his department. Could not the item pass, and the minister bring in the information later on?

Mr. MACKENZIE KING: He has opened his department.

Item stands.

Mr. SUTHERLAND: Mr. Chairman, I ask you to call item No. 92.

Mr. MACKENZIE KING: Last night the Minister of Trade and Commerce advised the house as to the departments which would be gone into. At that time he did not mention the Department of National Defence, and I do not think we ought to consider that department to-night.

Mr. STEVENS: If there is any opposition we shall not do so. The right hon. gentleman is quite correct; we did not name that department. The only reason I suggested it was that the Minister of Railways and Canals is ill—not seriously; he has a bad cold and had to go home. He has asked me if the committee will agree to calling an item in railways and canals, and as there are one or two noncontroversial items I think we might comply with his request. With that understanding I would ask the chairman to call item No. 99.

Department of Railways and Canals.

Miscellaneous—Printing and stationery, $7,000.

Mr. CASGRAIN: Would the minister give the details of this item?

Mr. STEVENS: Obviously the item is for the ordinary printing of the reports issued by

the Department of Railways and Canals from time to time. If it were necessary I think I could name a number of those reports; I am quite sure the hon. member is as familiar with them as I am. This vote provides for the ordinary printing necessary from year to year.

Mr. MACKENZIE (Vancouver): Is the Duff report included?

Mr. STEVENS: No; I wish it were.

Item agreed to.

Mr. STEVENS: Would the right hon. gentleman object to calling item No. 97, concerning the Board of Railway Commissioners for Canada? I understand there could not be very great controversy in connection with this item.

Mr. CASGRAIN: Yes, there is.

Mr. MACKENZIE KING: I think that item should be left for the attention of the minister.

Mr. STEVENS: How about item No. 101?

Mr. MACKENZIE KING: Leave the rest for the attention of the Minister of Railways and Canals. Do not disappoint him.

Mr. STEVENS: Then, I can proceed only with my own department.

Mr. MACKENZIE KING: Go back to the Department of Agriculture.

Mr. STEVENS: If the right hon. gentleman would be content to discuss that item in the Department of Agriculture estimates and pass it to-night, we might proceed. In the meantime however we shall turn to the estimates of the Department of Trade and Commerce.

Mr. MACKENZIE KING: The minister did not say anything about Trade and Commerce estimates yesterday.

Mr. STEVENS: They have been opened, of course.

Mr. MACKENZIE KING: The minister intimated what estimates would be considered to-day, and he did not mention the Department of Trade and Commerce.

Mr. STEVENS: The right hon. gentleman is quite within his rights, if he insists upon them.

Mr. MACKENZIE KING: Some of the members would like to have a word concerning these estimates.

Mr. STEVENS: Then I must call another item in Railways and Canals, or move that the committee rise and report progress.

[Mr. Stevens.]

Mr. CASGRAIN: That is the best thing to do.

Progress reported.

## MIGRATORY BIRDS CONVENTION ACT

The house resumed from Friday, February 3, consideration in committee of Bill No. 19, to amend the Migratory Birds Convention Act—Mr. Murphy—Mr. LaVergne in the chair.

On section 2—R. C. M. police to be game officers.

Mr. MACKENZIE KING: I believe there was some information the minister wished to give in connection with this matter.

Hon. T. G. MURPHY (Minister of the Interior): What information does the right hon. gentleman desire.

Mr. RALSTON: I had suggested to the Minister of Justice and to the minister in charge of the bill that this section be dropped, in view of the fact that already the minister has power to nominate members of the Royal Canadian Mounted Police or anybody else, so far as that goes, for the purpose of carrying out the duties imposed under the act. The Minister of Justice said he would consider my suggestion. I had pointed out that in the province of Nova Scotia there would be about one hundred and sixty officers taking the place of nine or ten. Those one hundred and sixty officers would obviously have no particular knowledge regarding the matters in their care, whereas the nine or ten would understand the nature of the duties with which they were charged, and would have the technical information necessary to enable them properly to enforce the act. I understand very little about this subject, but I believe there is considerable to learn with regard to the habits of birds, and it seems to me that we would do well to have men well fitted for their work rather than by act of parliament provide a group of men who obviously are not acquainted with the duties they have to perform.

Mr. MURPHY: I think the hon. member is under a slight misapprehension in regard to these game officers. There was only one part of Canada in which they were appointed, and that is in the maritime provinces. In the western provinces we have one permanent officer in the person of Mr. Munro. The game laws were enforced in those provinces, under the provincial acts and this dominion act, by the provincial police until their duties were taken over by the Royal Canadian Mounted Police under an arrangement made within the

last year, I think, with the Department of Justice, whereby the dominion police perform these duties. The same applied to Ontario and to the province of Quebec, with the exception of a small area along the river St. Lawrence. In the maritime provinces we had a permanent officer in the person of Mr. Tufts. Assisting him were five permanent officers known as assistant migratory bird officers, and there were additional men employed seasonally.

Mr. RALSTON: How many?

Mr. MURPHY: Possibly fifteen to twenty in the three provinces. These men were appointed seasonally, and were chosen from the localities in which the work was to be done. Now in place of employing those men seasonally it is proposed that their duties be carried on by the Royal Canadian Mounted Police. When the hon. member speaks of replacing nine or ten men with one hundred and fifty or one hundred and sixty he is in error. The Royal Canadian Mounted Police are on duty in those provinces now, and we are simply adding these duties to others which they already perform.

Mr. RALSTON: Perhaps I was under a misapprehension, but that is not what I understood from the Minister of Justice. I understood from him that the idea was possibly to drop all these officers of which my hon. friend has spoken, at least all the assistants, and to substitute the full force of the Royal Canadian Mounted Police, so that in effect the Migratory Birds Convention Act would be enforced under the direction of the Minister of Justice rather than the Minister of the Interior. From what my hon. friend just says it sounds to me that there is going to be Mr. Tufts, who is a very efficient officer, and I understand chief for the maritime provinces, the five officers of whom the minister has just spoken, the five, I presume, permanent officers, the fifteen or twenty temporary officers to whom he referred, plus the number of mounted police there are in the maritime provinces; and speaking of Nova Scotia I think I am not far wrong when I say there are about 150. The argument for this was that it was reducing expense. I cannot see that it is reducing expense if we are going to maintain the officers my hon. friend has already appointed and add let us say 150 who have no particular knowledge of the subject but who are members of the Royal Canadian Mounted Police.

Mr. MURPHY: I am afraid I have not made myself clear. These temporary men who have been appointed seasonally will not in future be appointed at all. Their duties will be performed by the Royal Canadian Mounted Police.

Mr. CASGRAIN: Who have no experience.

Mr. MURPHY: Possibly some of the temporary men appointed from year to year had not experience either.

Mr. CASGRAIN: Oh yes.

Mr. MURPHY: Perhaps my hon. friend is more familiar—

Mr. CASGRAIN: May I point out that the men appointed in my district under the supervision of Mr. Lewis, who is a capable official, were nearly always the same men for five or six years, and their knowledge grows.

Mr. MURPHY: New men were appointed from time to time. The Royal Canadian Mounted Police, being permanent officers and continuing in their duties from year to year, will become efficient men, because they will be continued in the job. May I point out that the Royal Canadian Mounted Police have in recent years taken over the duties of the preventive service, which duties were formerly performed by officials or appointees of the Department of Inland Revenue.

Mr. RALSTON: That is a totally different sort of duty, more like police duties.

Mr. MURPHY: These men are to-day protecting the coasts of the maritime provinces from smuggling, they have their boats and are in a splendid position to protect the migratory birds from illegal shooting.

Mr. MACKENZIE (Vancouver): I do not exactly understand the minister's explanation. I understood the Minister of Justice the other evening to give an assurance to my hon. friend the member for Shelburne-Yarmouth that the government would consider specifying particular individuals among the Royal Canadian Mounted Police to whom would be delegated the duties assigned to them under this bill. I understand now that all the 150 or so mounted policemen in the maritimes will be potential game officers. That is exactly what we objected to the other day, and the Minister of Justice promised specifically that he would take this situation under advisement. I should like to know now from the Minister of the Interior what conclusion the administration has come to in regard to this question.

Mr. MURPHY: The former section reads as follows:

5. The minister may appoint game officers for carrying out this act and the regulations, and may authorize such game officers to exercise the powers of a justice of the peace,—

It is that latter part with which the Minister of Justice was dealing when he said that such game officers might be designated for the exercise of the powers of justices of the peace, not that they would be appointed game officers. I hope my hon. friend follows me. We are proposing under this clause that all members of the Royal Canadian Mounted Police shall for the purposes of this act be ex officio game officers. Under the old section the minister had the power to appoint game officers for the carrying out of the act. Action has already been taken transferring to the Royal Canadian Mounted Police the carrying out of the provisions of this act, in place of the Minister of the Interior appointing these officers seasonally. Then the further question arises as to whether the mounted police should exercise the powers of justices of the peace, and I agreed with the objection that was made, as expressed by the Minister of Justice, that it is not advisable that a prosecutor should also be a judge sitting on the case. I am very reliably informed that the mounted police themselves do not wish such authority, and do not exercise it when they can secure the services of a magistrate. I fail to see the objection which my hon. friend appears to urge against this clause.

Mr. MACKENZIE (Vancouver): The minister is quite correct in what he has stated, but in addition the Minister of Justice gave the assurance to which I refer, that he would consider, probably in collaboration with my hon. friend, whether the government would nominate specific officers to enforce the provisions of this act in the various provinces, or whether blanket authority would be given to members of the Royal Canadian Mounted Police as such. I should like to know now the conclusion they arrived at in regard to the assurance that was given.

Mr. RALSTON: Let me refer the minister to Hansard, page 1775, to which my hon. friend the member for Vancouver Centre refers. I said:

> But if the government are determined to have this work turned over to the mounted police, why not designate seven or eight or nine or ten officers who would have power to act, and not have 150 or 160 take the place of the nine men who are doing the work in Nova Scotia? That would obviate this blanketing in of the whole force, and you would be able to carry out exactly the same idea you have in mind if you want to transfer this work to the mounted police. Personally I think the idea is all wrong, and that the work should remain where it is, namely, under the responsible officers of the department which is administering the act.

And the Minister of Justice replied:

> Mr. Guthrie: I am not at all wedded to the suggestion contained in the act, and if my hon. friend is serious in his suggestion I should be prepared to let this clause stand and discuss the matter with the officials of the mounted police. I think, however, there is a good deal to be said in favour of empowering all the members of the force to do particular acts or administer particular laws, and that is now done in respect of other laws. . . . If my hon. friend thinks there is merit in the suggestion that only a specific number be designated instead of the whole force, I am willing to consider it. I do not disfavour it at all. There is of course the principle that all members of the force should have equal powers. I will ask that the clause stand and we can discuss the matter further.

Mr. MURPHY: I have no desire to force the clause through in the absence of the Minister of Justice, nor have I any particular desire to have the clause passed in the bill. The minister has power under the present act to name every one of the 150 or 160 and therefore it can be done in any case even if this clause is dropped. If hon. members are very anxious that this clause should not carry we can at least let it stand, or I would be willing to drop it.

Mr. RALSTON: My point is that there could be much more efficient administration of the act by a specific naming of nine or ten men to do the work rather than, by act of parliament, blanketing the whole force. The Minister of Justice seemed to have the idea that he would be administering and appointing special men. He said at page 1774:

> There may be points where at odd times it may be necessary to name some special officers for a particular district for certain seasons of the year. I do not however anticipate that will be necessary.
>
> Mr. Ralston: What minister will do that?
>
> Mr. Guthrie: That will be the mounted police.

It sounded to me therefore as if the mounted police were taking the place entirely of the officers to whom the minister referred earlier this evening.

Mr. MURPHY: That is not a correct interpretation of the situation, because the minister designated to carry out the act is the Minister of the Interior and therefore that responsibility devolves upon him. However—

Mr. MACKENZIE (Vancouver): That was not the impression we got the other day. We

distinctly got the impression that this was another step in the progressive dismemberment of the Department of the Interior and that all these powers would be vested in the Minister of Justice. Now the minister says that it will rest with the Department of the Interior. I should like to let it stand until the Minister of Justice is here so that we shall know just where we are.

Mr. MURPHY: Very well.

Progress reported.

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

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## Wednesday, February 8, 1933

The house met at three o'clock.

### UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house certain orders in council passed pursuant to the relief legislation.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### DURATION OF KING GOVERNMENT

Mr. GOTT:

On what date, or dates, did the late administration, that of the Right Hon. William Lyon Mackenzie King, assume and relinquish office?

Mr. MACKENZIE KING: If the government is unable to answer this question, I can tell my hon. friend where he can find the information. I think he can get the information in the Parliamentary Guide, the Canada Gazette, or the Canadian Almanac.

Mr. GOTT: I have asked the government for the answer. The right hon. gentleman forgets that he is now in the opposition.

Mr. SPEAKER: I think the objection is well taken. The question should not be on the order paper. It will be struck off.

Question dropped.



#### RADIO COMMISSION

Mr. LAPOINTE:

1. Since the coming into force of the Canadian Radio Broadcasting Act, 1932, how many licences for broadcasting stations have been issued, to what persons or corporations were they issued, and where are those stations located?

2. Were any of such licences issued for new stations, and if so, to what persons or companies and on what dates?

3. When were the members of the radio board appointed and when were they sworn in as commissioners?

Mr. DURANLEAU:

1. One; issued to La Patrie Publishing Company, Ltd., of Montreal; station situated at 180 St. Catherine street east, Montreal.

2. Yes: licence issued to the La Patrie Publishing Company, Ltd., on the 28th October, 1932.

3. They were appointed October 5, 1932; the chairman and the vice-chairman were sworn in on October 31, 1932; the third member of commission sworn in on January 18, 1933.

Mr. CASGRAIN:

1. How many employees are under the direction of the Radio Broadcasting Commission at the present time?

2. What are their family and Christian names?

3. What positions do they occupy?

4. What is their nationality?

5. By whom were they recommended and appointed to the various positions they occupy?

6. Which of them speak the French language?

7. Are the communications of the Ottawa office of the radio commission drafted in French?

Mr. DURANLEAU: The following information has been furnished by the Canadian Radio Broadcasting Commission:

1. Four.

2 and 3. Miss Isabel Kirby—Stenographer; Miss Eglantine Plouffe—Stenographer; Miss Frances McAuley—Stenographer; Mr. Percy Paleff—Office boy.

4. British.

5. Civil Service Commission.

6. Miss Plouffe.

7. All communications received which are in the French language are answered in that language.

Mr. WOODSWORTH:

1. What appointments have been made to the radio commission?

2. By whom have these appointments been made?

3. Which persons, if any, have not been appointed through the Civil Service Commission?

Mr. DURANLEAU: The following information has been furnished by the Canadian Radio Broadcasting Commission:

1. One stenographer and one office boy.
2. Civil Service Commission.
3. None.

BUREAU OF STATISTICS—DAILY BULLETIN

Mr. MARCIL:

Is the Daily Bulletin, issued by the Dominion Bureau of Statistics, Department of Trade and Commerce, issued on the same day in French, and, generally, how is it distributed?

Mr. STEVENS:

Not hitherto, but instructions have now been issued to do so. This bulletin is distributed daily for press purposes.

DOMINION NOTES—GOLD COVERAGE

Mr. MACKENZIE (Vancouver):

1. What is the amount of Dominion notes issued by the Dominion government with a gold coverage and what is the amount of the gold coverage for this total issue?

2. What is the total issue made by the Dominion government under the Finance Act up to the present, giving dates; and what is the amount of notes now outstanding with no gold coverage?

Mr. RHODES:

Nos. 1 and 2. As of January 31, 1933, total amount of Dominion Notes in circulation was $180,473,727.19. These notes were issued under authority of the following statutes:

| | |
|---|---|
| Cap. 4, 1915 | $ 26,000,000 00 |
| Finance Act, cap. 70, R.S. 1927 | 46,744,000 00 |
| Dominion Notes Act, cap. 41, R.S. 1927 | 107,729,727 19 |
| | $180,473,727 19 |

Total gold held against Dominion note issue was $70,936,056.24, including $12,500,000 against the first $50,000,000 of Dominion notes issued, $57,729,727.19 representing full coverage against notes issued in excess of $50,000,000 under cap. 41, R.S. 1927, and $706,329.05 representing gold held in excess of statutory requirements. Gold held represent a coverage of 39·3 per cent against total amount of Dominion notes outstanding.

(As to dates of advances under the Finance Act, it should be noted that the amount outstanding at any time is the net issue after many different advances and repayments.)

[Mr. Woodsworth.]

IMMIGRATION STATISTICS

Mr. LUCHKOVICH:

1. How many immigrants entered Canada during 1932?
2. What was their racial origin?
3. What provinces absorbed them, and in what numbers?

Mr. GORDON:

1. 20,591.

2.

Statement of immigration to Canada, by origins

| | Calendar year 1932 |
|---|---|
| British— | |
| English | 2,101 |
| Irish | 350 |
| Scotch | 800 |
| Welsh | 76 |
| Totals | 3,327 |
| United States | 13,709 |
| Northern European races— | |
| Belgian | 40 |
| Danish | 49 |
| Dutch | 30 |
| Finnish | 32 |
| French | 90 |
| German | 562 |
| Icelandic | 1 |
| Norwegian | 54 |
| Swedish | 34 |
| Swiss | 17 |
| Totals | 909 |
| Other races— | |
| Arabian | 2 |
| Armenian | 1 |
| Bohemian | 7 |
| Bulgarian | 12 |
| Chinese | 1 |
| Croatian | 93 |
| Czech | 69 |
| East Indian | 61 |
| Esthonian | ... |
| Greek | 34 |
| Hebrew | 313 |
| Italian | 280 |
| Japanese | 119 |
| Jugo-Slav | 48 |
| Lettish | 3 |
| Lithuanian | 43 |
| Magyar | 311 |
| Maltese | 2 |
| Moravian | 3 |
| Negro | 9 |
| Persian | 1 |

| | |
|---|---|
| Other races— | |
| Polish | 379 |
| Portuguese | 2 |
| Roumanian | 31 |
| Russian | 74 |
| Ruthenian | 438 |
| Serbian | 30 |
| Slovak | 253 |
| Spanish | 6 |
| Spanish American | 1 |
| Syrian | 20 |
| Totals | 2,646 |
| Grand Totals | 20,591 |

3.

Statement of immigration to Canada, showing destination, for the calendar year 1932

| | |
|---|---|
| Nova Scotia | 916 |
| New Brunswick | 646 |
| Prince Edward Island | 200 |
| Quebec | 4,134 |
| Ontario | 9,312 |
| Manitoba | 757 |
| Saskatchewan | 971 |
| Alberta | 1,692 |
| British Columbia | 1,950 |
| Yukon Territory | 10 |
| Northwest Territories | 3 |
| Total | 20,591 |

CANADIAN FARM LOAN BOARD

Mr. GOBEIL:

1. Who is responsible for the administration and collection of annual payments on loans made to farmers by the Canadian Farm Loan Board, in the province of Quebec?

2. Has the Canadian Farm Loan Board given instructions to the board of the province of Quebec to take legal proceedings against the farmers who were unable to meet their payments when due?

3. If not, who issues such instructions?

Mr. RHODES: (Submitted by the Canadian Farm Loan Board).

1. The Provincial Board as agent for the Canadian Farm Loan Board in the province.

2. Legal proceedings, when unavoidable, are authorized by the Canadian Farm Loan Board after consultation with and on the recommendation of the provincial board.

3. See answer, No. 2.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

QUEBEC TOPOGRAPHICAL SURVEY WORK

Mr. CASGRAIN:

1. How many land surveyors, chainmen and assistants have been employed on topographical survey work in the province of Quebec since January 1, 1930, to date?

2. What are their family and Christian names?

3. By whom were they recommended and appointed?

4. In what areas in the province of Quebec were the said topographical surveys effected during the aforesaid period?

PUBLIC WATERWAYS AND CANALS

Mr. HEAPS:

1. What are the waterways and canals owned, controlled and operated by the Dominion of Canada?

2. What was the date of construction of such canals and waterways?

3. What was the capital cost of all such works and annual interest charges on same?

4. What were the annual maintenance and operating charges on same during past ten years?

5. What is the annual revenue derived from all sources from each undertaking during the past ten years?

## MOTIONS FOR PAPERS

RESTIGOUCHE, QUE., INDIAN AGENT

Mr. MARCIL:

For a copy of the evidence given at the investigation and report of the commissioner appointed to investigate the charges of political partisanship made against Dr. Richard, Indian agent at Restigouche, Quebec.

NORTH EAST HARBOUR N.S. POST OFFICE

Mr. RALSTON:

For a copy of all orders in council, reports, letters, telegrams, correspondence or other documents, relating to the change of location of the post office formerly at North East Harbour and with regard to the qualifications, recommendations and appointment of the postmaster in charge of such post office at this new location and the dispensing with the services of the previous incumbent, including all representations made in respect of any of these matters.

BAILEY'S BROOK, N.S., BREAKWATER

Mr. RALSTON:

For a copy of the payrolls in connection with the work done on the breakwater at Bailey's Brook, Pictou county, Nova Scotia, during the summers of 1931 and 1932.

NORTH SYDNEY, N.S., BREAKWATER

Mr. RALSTON:

For a copy of all bills, accounts, cheques and correspondence, respecting logs purchased for use on the North Sydney breakwater extension done under the Unemployment and Farm Relief Act of 1931.

MISSANABIE, ONT., POST OFFICE

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, petitions, reports, plans and other documents, in the possession of the government, respecting the post office at Missanabie, Ontario, since the month of August, 1930.

## COMMITTEE ON AGRICULTURE

SUGGESTED DIVISION INTO TWO SECTIONS—AGRICULTURAL AND WHEAT

Mr. F. H. PICKEL (Brome-Missisquoi) moved:

That, in the opinion of this house, the agricultural committee would give much better satisfaction if it were divided into two sections: (a) agricultural section; (b) wheat section.

He said: Mr. Speaker, in offering a few words in support of this resolution, I intend no discourtesy towards the grain growers. I move this resolution simply with the object of getting a committee that will function better, at least as regards eastern agriculture. At the present time and for some years past it has been impossible in the committee on agriculture to discuss agricultural problems relating to eastern Canada, and I should like to have that committee divided in such a manner that these questions may be discussed in a sane way. At the present time and for many years past the committee on agriculture has consisted of an overwhelming number of grain growers who have just swamped the eastern section of that committee and it has been impossible, as I say, to discuss properly matters connected with eastern agriculture. The committee is composed of sixty members, twenty-seven of whom are grain growers, nine or ten genuine farmers from the east and the twenty-four or twenty-three who make up the remaining number, representing medicine, law, dentistry and almost every other calling that we have in this country. Under such circumstances it is hard to imagine how eastern agriculture can be discussed with any clearness in that committee.

I want to pay my respects to the grain grower; I admit he is a number one good fellow and good citizen, but he is just as loquacious and aggressive as you can find. He never misses an opportunity of telling you all about any subject you may want to bring up; he imagines he knows it all. This is a superiority complex which has been developed in the past, when between the year 1921 and 1930 the wheat growers were directing the destiny of this country.

I should like to call to the attention of the house some of the grievances facing eastern farmers. Especially since 1925 the east has been in a bad condition. The late government apparently did everything in its power to put it out of business. Further, I am forced to admit that the present administration is not exerting itself to the extent I had wished. It is with some reluctance I take upon myself the task of bringing this to the attention of the house. The importance and urgency of the matter demands that something be done at once, if we are to save eastern agriculture. This should not be made a matter of political controversy. Both of the major parties in this house for a great many years have been negligent of the interests of the eastern farmers. There are a few genuine farmers in this house, some of whom have been here for many years. Even they do not seem to be willing to accept the task of speaking for eastern agriculture. Perhaps their unwillingness may be the result of their longer and greater political experience. However that may be, Mr. Speaker, I am going to do my best to fulfil my promise to help my farmer friends. I trust that the house will charitably accept my observations in the spirit in which they are given. It is my intention to make some constructive suggestions with the sole object of aiding the government in some small measure, so that it may come to the rescue of the biggest and best class of citizens in our dominion.

In 1925, 1926 and 1930 I was told from every platform in my counties that it would be impossible to do anything in this house to help the farmers. I do not believe that such is the case. The great trouble in this chamber has been that hon. members did not know how to help eastern farmers. I purpose to tell of the grievances under which those farmers are labouring, and I am presumptuous enough to believe that I can suggest ways and means of relieving their difficulties.

Mr. MACKENZIE (Vancouver): How about changing the government?

Mr. PICKEL: I have been engaged in mixed farming all my life. Without boasting idly, I flatter myself that I know the game from A to Z. I want to add that it has been an expensive experience, and anybody who has been engaged in agriculture the last few years will not doubt my words. I have the honour to represent a double constituency,

composed of those two fine counties Brome and Missisquoi, situated in the eastern section of the province of Quebec. I was elected by my farmer friends on the distinct promise that I would do what I could to help them, and to the best of my ability I shall attempt to fill my promise. I can but say, in the words of Lincoln, "I am not bound to win, but I am bound to be true; I am not bound to succeed, but I am bound to live up to what light I have." Knowing that there are several ways in which the farming industry could be beneficially assisted, I should be remiss in my duty were I not to bring my suggestions to the attention of the House of Commons, the body which has the power, if it will exercise that power, greatly to help the farmer out of the abyss in which he finds himself. I have been a member in this house for about two and a half years, and during the two long and one short sessions I have been a regular attendant. Now I find I have made a good beginning on a third session.

I submit we have had very few practical suggestions, let alone any material legislation, for the benefit of dairymen. That fact in itself seems rather strange. I have listened anxiously and patiently for some of the farmers in this house to say a word for eastern agriculture, but up to the present time we have not heard one practical constructive suggestion from either side of the house. The opposition never misses an opportunity of portraying the calamitous conditions under which eastern farmers are working, and have no hesitation in denouncing the present government therefor, despite the fact that hon. members opposite, when they occupied this side of the house, gave the farmers their death blow through the Australian trade treaty of 1925. The New Zealand order in council which remained in force until October 25, 1930, proved most destructive to the interests of the farmers. They have not been able to regain their former prestige and will not do so for some time. In 1922 the then government, the present opposition, enacted the Hog Grading Act, and in 1925 the Egg Grading Act. The unfair, irrational and unjust administration of both of these acts has proved a curse to the farmers. In the past two or three sessions it has been the regular pastime of some hon. members opposite to compare prices. They state that butter is so much in Canada and so much in the United States, eggs so much in Canada and so much in the United States. Particularly, that was the pleasant pastime in which the hon. member for Sherbrooke (Mr. Howard) indulged. To-day however we do not hear so much cackling. I would like to remind the house that all kinds of farm produce, with the exception of beef, are selling for higher prices in Canada to-day than anywhere else in the world.

Some hon. MEMBERS: Oh, oh.

Mr. PICKEL: That is absolutely true. Hon. members do not realize it because they do not hear that side of the question discussed. While farmers in the United States are receiving only ten or twelve cents a dozen for eggs, in Canada they are receiving twenty cents or more. While butter costs only sixteen or seventeen cents in the United States it costs twenty cents in Canada. We do not hear so many comparisons of prices as we did.

An hon. MEMBER: What is the price in New Zealand?

Mr. PICKEL: A good deal less than it is here. During my short sojourn in this house I have learned a few things, from observation and experience; not the least of these is that this house is not in sympathy with eastern agriculture. That seems strange. The eastern farmers constitute by far the largest class in this country. We all realize that the government is endeavouring to do everything it can to get us out of the terrible condition we are in, and to my mind, helping eastern farmers to increase their purchasing power would go a long way in that direction. I propose to tell you how this can be brought about without increasing the cost to the consumer.

To repeat, I say that this house is not of a dairying mentality. When agriculture is mentioned in this house the great majority of the members at once commence to think of grain growing. In grain growing we have a short seasonal occupation, seed time and harvest, with three or four months intervening which the growers devote principally to local and domestic visiting and social amenities of one kind or another and studying all sorts of abstract political theories such as inflation and deflation, currency revaluation, increase of the price level, parity of the pound and dollar, and so on. To my mind, inflation is equivalent to destruction, damnation and dissolution of the country. After harvest these same gentlemen —barring the last two years—fortified by a large bank roll, take occasion to tour the world. They make large amounts of money, but Canada does not get any benefit from it; it is spent in foreign countries. The western grain grower cannot stand the rigors of a Canadian winter; he has to go to southern beaches where the gentle zephyrs blow through his whiskers, cooling his heated brow. I do not blame him one bit; I

would do the same thing if I could. And I do not know that I can blame him for trying to put these things over on the east. But it is high time that the grain growers should recognize that there is an east, and to appreciate the fact that it is all due to the east that there is a west at all. They should also appreciate that where there is one farmer west of lake Superior there are three east. The westerner is a sort of migratory farmer; he goes away with the birds in the fall and comes back with them in the spring.

Mr. VALLANCE: He doesn't take the eggs with him.

Mr. PICKEL: Referring back to the agriculture committee. I want to say that whenever an easterner gets up in that committee and begins to talk milk, eggs, butter, anything of the kind, the western grain growers will take the words right out of his mouth. Seventy-five per cent of them use canned milk, and they do not want to be tied down to a cow, for if they are they cannot go south. Theirs is the glorious carefree life! Contrast this orgy of existence with the hard, plodding life of the eastern farmer. He puts in the longest hours of continuous and exacting labour for the least remuneration of any closs in the world. His is not a short seasonal occupation; it is continuous from day to day and from year to year all his life. He has to be on the job over six hundred eight hour days a year without respite or holiday. That is the life of the eastern farmer.

The eastern farmer is endowed with a peculiar mentality; the great difficulty he has is that he is non-cooperative. The western farmers, on the other hand, all hang together. I would counsel the farmers of eastern Canada to send more representatives from the rural sections, members whose interests are their interests. I think the welfare of the farmers would be better looked after if there were more rural representation. If the eastern agriculturist were better represented in this house it would be much better for the house and for the country. I firmly believe that if there had been a good strong representation here of eastern farmers we would not have built the Grand Trunk Pacific, nor yet the Hudson Bay railway. The eastern farmer is faced with a continuous struggle for existence; he has the heavenly elements to fight—drought, flood, wind, frost, hail; he has numberless enemies in nature, many varieties of parasites, flies, worms, grubs and bugs. Everything he raises is the result of continuous and hard labour. One would naturally think that when he had brought his crop or product to maturity his labours would be about finished, but, sir, such is not the case. When he comes to put his product on the market and tries to secure a little return for his labour he meets another set of pests, even worse than the others. I refer to middlemen, commission men, inspection acts, irrational and unfair administration of grading acts, governmental interference, regulations and restrictions, and by no means least, the politician. That is what the eastern farmer is up against.

Now the politician means well, but in the majority of cases he has not the slightest idea of what could and should be done to help the farmer; so adverse instead of beneficial legislation is often enacted than otherwise. For instance, we hear advocated the formation of an export marketing board. That seems to be a sort of shibboleth in this house. To my mind, sir, we do not need an export marketing board at all. We certainly do not need it for the east; if it can do anything for the west I am for it and will do anything I can to further it.

Here I would like to put on Hansard the percentage of Canadian agricultural production consumed in the domestic market. Excluding wheat and cheese, nearly 97 per cent of all farm produce is consumed here in Canada; excluding wheat, 95·7 per cent; including wheat, 88 per cent. The eastern farmer has nothing of any consequence to export, just a little cheese. Of oats, 100 per cent is consumed in Canada; of barley, 100 per cent; of rye, 100 per cent; of flax seed, 100 per cent; of milk, condensed, and milk products, 100 per cent; of eggs, 100 per cent. Red clover is the article of which we consume least, namely 27·7 per cent.

Mr. DUPUIS: May I ask the hon. member where he got these statistics?

Mr. PICKEL: I got them from the bureau of statistics.

Percentages of Canadian Agricultural Production Consumed in the Domestic Market

| | 1930-31 | 1931-32 |
|---|---|---|
| | (per cent) | |
| Field crops: | | |
| Oats | 87·4 | 100·0 |
| Barley | 80·9 | 100·0 |
| Rye | 66·7 | 100·0 |
| Peas | 100·0 | 97·0 |
| Beans | 100·0 | 99·8 |
| Buckwheat | 93·9 | 89·3 |
| Corn | 99·7 | 99·6 |
| Potatoes | 83·9 | 93·7 |
| Turnips, etc | 95·3 | 93·0 |
| Hay | 99·4 | 99·8 |
| Sugar beets | 89·9 | 98·7 |
| Apples | 57·6 | 56·9 |
| Flaxseed | 56·8 | 100·0 |
| Tobacco | 82·2 | 79·8 |
| Seeds: | | |
| Alfalfa | 95·5 | 92·9 |
| Red clover | 99·6 | 27·7 |
| Other clover | 70·2 | 61·9 |

| | | |
|---|---|---|
| Animal products: | | |
| Butter | 98·3 | 99·7 |
| Cheese | 35·4 | 26·3 |
| Condensed milk products | 97·3 | 100·0 |
| Beef | 99·8 | 99·4 |
| Pork | 100·0 | 97·3 |
| Mutton and lamb | 100·0 | 98·8 |
| Wool | 86·2 | 74·8 |
| Eggs | 100·0 | 100·0 |
| Poultry | 100·0 | 96·8 |

An hon. MEMBER: What year?

Mr. PICKEL: The last year for which I have figures, 1931-32. Right at home, under our very noses the eastern farmer is being exploited and profiteered against by the middleman and the commission man. These people apparently have no difficulty in securing the necessary legislation from the different governing bodies to enable them to take advantage of the farmer, and that is the trouble with the eastern farmer to-day.

In support of my contention I bring to your notice the condition of the milk trade. In my section of the country, fifty-five miles from Montreal, 75 per cent of all the milk produced is consumed fresh as fluid milk or cream; 57 per cent and a decimal of all the milk produced in the entire dominion is consumed as fresh milk or cream, 25 per cent is made into butter, 6 per cent into cheese, and 7 per cent and a decimal into milk products—evaporated milk and milk products. The great bulk of the produce of the farmers in the east is milk; that is what the farmer depends upon principally for his income.

In the city of Montreal during the past season the farmers in my section have received a net of 70 cents a hundred pounds for milk. They are supposed to get $1.35, and they must pay 25 cents express to the city as well as cartage from the station, and then they are penalized because they are told that they are sending too much. The distributor tells them that they have so much milk that they have to separate it, and therefore the farmer has to take butter prices. This brings his net down to 70 cents and even as low as 60; at any rate it varies between 60 and 80.

The Montreal market, even at that low price, is the best market we have, and the result is that more milk and cream is sent to the city than is consumed as fresh milk or cream. Consequently much of this milk is churned, so that the farmers have to be content with a butter price. That is the farmer's side of the story. On the other hand, the distributor, when he sells that milk, receives $4 per hundred, if he distributes in quarts, at 10 cents a quart, and he gets 2 cents a quart extra if he distributes by the pint. If you consider the spread he gets out of ice cream, which costs him 37½ cents a gallon and which he sells at $1.20, and consider the buttermilk which he steals entirely from the farmer and sells for nearly as much as he does whole milk, and if you consider further the separated milk which he uses to reduce the super-standard milk which he also steals from the farmer, you will readily see that he is getting more than $5 per hundred. How in the world such an unjust condition of affairs can be permitted to exist in this supposedly civilized country is more than I can imagine. It is absolute robbery.

Now the farmer does not wish to boost the price to the consumer, who is paying enough already; 95 per cent of the consumers in the city, if you asked them, would tell you that the farmers are robbing them. That is simply propaganda spread by the milkman to cover up his wickedness. He tries to pull the wool over people's eyes and make them think he is engaged in some philanthropic undertaking instead of staging a genuine holdup.

The farmer should have a fifty-fifty break in regard to the selling price in the city; he is entitled to it and should have it. The farmer in eastern Canada is not asking for a dole or a bonus or anything of that sort. Come to Quebec if you want to see thrifty, industrious people. Come and see our farmers. Let me say that the agitators in the southeast corner of the chamber will not have much weight in Quebec; they will not get any sympathy and so they will not come there. The older I get the firmer I am in my conviction that the greatest asset the dominion has is the French Canadian race. These people are the bulwarks of Canadianism; there is no question about it. Come there and go amongst them and you will see that they are busy people. They do not travel, but stay at home and attend to their business.

Right here I want to tell the western grain growers that there is a great potential market in the east for them if they will only take advantage of it. We should not be making butter in the east. We make the poorest butter in the world. It is humiliating to tell the farmer of eastern Canada that his butter is no good, but it is a fact. Whenever we send a consignment of butter to England, which is rare, it is at the bottom as regards grade and price; it receives the lowest price in the world. But when we send a box of cheese it is of superior quality. Our cheese is on top; it is the best cheese in the world.

It is a sad reflection on the Canadian people that we have been making butter for years and years when we could have done so much better making cheese. Last summer we made butter that sold at 15, 16 and 17 cents, where-

as if we had made cheese we could have got as much as 22 to 25 cents. Let our people in the west make butter and everyone else in Canada make cheese; let us specialize in it. We make an article that the English market requires.

Let us note the trend of the trade. In 1904 we exported 247,000,000 pounds of cheese to England; last year we exported 74,000,000 pounds. In 1904 New Zealand sent hardly any cheese to that market; last year they exported 250,000,000 pounds. They have usurped our place in the English market so far as volume is concerned; nevertheless we maintain the supremacy of our quality and price. Our cheese is the best; let us specialize in it. The government is possessed of all these facts and should organize an educational campaign throughout the east to assist the people in every way possible in the making of cheese.

Returning now to the milk situation, in the cities the different inspectors, the officials of the board of health and the legislatures seem to vie with one another in passing restrictive legislation at the request of the distributors for the purpose of keeping the small man out. The distributor builds great big palaces of plate glass and marble, moving into new premises every few years, and the farmer pays the price. Go into the streets of Montreal and stop before some apartment house in which there are fifteen or twenty families and you will see half a dozen milk trucks. They are just as extravagant in their operations as they can be. They do not curtail; the farmer is an easy mark and he pays the price. There are times when one may be pardoned for experiencing a sort of sentimental charitableness towards a pickpocket or a robber who takes long chances to gain his end, but there is no charity that anyone can feel towards the milk distributor who is daily guillotining and robbing the farmer, taking no chances at all himself. The milk distributor is gouging and robbing the farmer, he takes no chance at all as he is protected by legislation. I do not blame the Dominion government for the irregularities connected with the distribution of milk but I consider this house supreme, we have the power and it is within our jurisdiction to investigate the whole situation. The public should know at once who is responsible, there should be no hesitation in investigating this matter fully.

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

Mr. PICKEL: Mr. Speaker, I move, seconded by the hon. member for South Hastings (Mr. Tummon) that this resolution be adopted.

[Mr. Pickel.]

Mr. W. E. TUMMON (South Hastings): Mr. Speaker, in making a few remarks as seconder of this resolution I do not propose to draw any comparisons between the farmers in one part of Canada with those in any other part, nor do I intend to take up the time of the house in referring to many of the subjects already covered by the mover of the resolution (Mr. Pickel). The resolution reads:

That in the opinion of this house, the agricultural committee would give much better satisfaction if it were divided into two sections: (a) agricultural section; (b) wheat section.

I think the hon. member for Brome is to be congratulated for bringing this matter to the attention of the house. The subject matter of this resolution has been discussed privately by many members of the committee. I believe the usefulness of this committee could be increased by the adoption of the resolution. Like the hon. gentleman who has just spoken, I do not want the house to think for one moment that I feel that the questions which have been discussed in the past by the agriculture committee were not necessary or were not justly and properly discussed. I believe that these questions were important and were properly brought before the committee, but the fact remains that there have been certain years when practically the entire time of the committee has been taken up with questions of the grading and marketing of wheat, of barley and such like. There has been a feeling which has been not only confined to the members of the committee, that problems affecting the farmers in eastern and central Canada have been crowded out. This may be very largely due to the fact that the farmers of western Canada are more ready than those of eastern and central Canada to bring their problems to the attention of the government. As we all know, there is a proper way to get these different problems before that committee.

I went back a number of years to find out just how many meetings had been held annually by this committee and the subjects that had been discussed each year. I found that in 1922 there were twenty-seven meetings, twenty-two being in connection with wheat marketing and five in connection with questions relating to other forms of agriculture. In 1923 there were seventeen meetings held, none of which related to wheat or grain. That would seem to show that when questions concerning the marketing of wheat or the Canada Grain Act were not before the committee, the committee found time to deal

with questions relating to other parts of Canada. In 1924 there were seven meetings, two in connection with wheat rust and five in connection with other matters. In 1925 there were thirty-two meetings, twenty-six being in connection with wheat and the grain act and only six in connection with problems affecting other parts of Canada. In 1926 there were seven meetings held in connection with the grain act and two in connection with other problems. In 1927 seven meetings were held, all in connection with problems other than wheat and grain. In 1928 there were twenty-seven meetings, twenty-four in connection with the Canada Grain Act and the protein content of grain, and three in connection with other farm products. In 1929 forty meetings were held in connection with the protein content and grading generally of wheat. In 1930 fifty-one meetings were held, forty-nine of which were in connection with the grain act revision and two in connection with the maple sugar industry, a matter of much importance to the province from which the mover of this resolution comes. In 1931 there were seventeen meetings in connection with farm problems generally, and five in connection with the Whiteside inquiry. In 1932 there were ten meetings in connection with grain and six in connection with the beet sugar industry. In ten years there were one hundred and eighty-five meetings in connection with wheat, the grading of wheat and the like, and only seventy-one in connection with other problems affecting the farming industry of Canada.

As I said before, I am not questioning the importance of the questions relating to wheat; rather I feel that the committee at all times should be prepared to give whatever time is necessary to matters which relate to the marketing of grain and such like in the west. However, I do not think that the time of the committee should be taken up wholly in the discussion of such matters; some provision should be made whereby other branches of agriculture could be discussed. The growing of wheat is important to a great portion of the west, but there are other agricultural products which are just as important to other sections of Canada. For instance in the dairy industry the district, from which I come, is particularly interested. The growing of potatoes is important to the maritime provinces; the growing of fruit is important to parts of Nova Scotia, Quebec, Ontario and British Columbia, and there is also the live stock problem, the poultry problem, and other matters which are important to many sections of the country. I am convinced that some effort should be made to increase the usefulness of the agriculture committee, and I trust that the government and the Minister of Agriculture (Mr. Weir) will look sympathetically upon this resolution.

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I have been listening attentively to the honourable member who moved this motion; and, in reading it over I note that he requests that the committee be divided into two sections: one, properly speaking, on agriculture and the other on wheat. I cannot see why the honourable member, to be more precise, would not go so far as to request a section on tobacco and another on dairy, two industries of primary interest to eastern Canada.

I was in no way astonished to hear the honourable member complain of the fact that, since he has been in the house, since 1930, he has not heard a speech embodying proposals of a practical order in connection with agriculture. I congratulate him on having had the courage of rebuking his government for not having done justice to this industry and for not advocating a policy which would help the farming class of this country, and, more especially that of his province. I think that the honourable member revealed what was in his mind or went further than he would have wished, nevertheless, he bitterly rebuked the majority of the members of this house representing rural districts, and more particularly the honourable ministers of the province of Quebec, among whom a few at least represent rural counties.

The honourable member went so far as to suggest an increase in the rural membership. I think it would have been more proper for him to state that the present ministerial rural representation failed in its duty and in no way endeavoured to obtain from this government, in favour of the agricultural community, but especially eastern Canada, the share of protection to which it is entitled. The honourable member neglected to state, for instance, that the present government did not fulfil the pledges given in 1930 nor find the means of increasing the price of butter, but simply of preventing the decrease of the price of butter as it is to-day. These gentlemen, in 1930, made a great ballyhoo, and appealed to the people stating: that the King government was responsible if butter sold for 32 or 33 cents a pound. How does it happen that these gentlemen, within the last three years, were unable to remedy this

evil, on the contrary, the situation is getting worse and butter, to-day, sells between 20 and 22 cents?

I congratulate the honourable member for having had the courage of rebuking his government for having acted so shamefully ever since it has been at the helm of public affairs.

Mr. Speaker, so far as the motion itself, it is worthy of being discussed, and I really wonder if we would not gain by having the committee on agriculture divided in various sections, one special section being allotted to these two great industries: that of tobacco and dairy. I think that the tobacco question is of the utmost importance, since it contributes a revenue to the country through the customs and excise. This industry should be allotted in the committee a special section which would devote itself to revising our tariff and enquiring whether the custom and excise duties existing on our tobacco should not be altered and whether something could not be done to prevent foreign tobacco competing with that of this country.

Mr. Speaker, I have nothing further to add for the present; I shall have the opportunity of referring to this subject again before the end of the session.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, because I have the honour to represent one of the finest agricultural constituencies in New Brunswick and because I am extremely interested in the farmers of my constituency, as I have shown on many occasions in a practical way, especially during the last four years, I rise to support this motion and to congratulate the hon. member for Brome-Missisquoi (Mr. Pickel) on having brought forward his motion as a first practical step towards a study of the situation which confronts us as the representatives of these farmers.

I have been a member of the house for twelve or more years and I have never been honoured with representation on the committee of agriculture. While I do not pretend to be a farmer, I can claim to be a son of the soil, and because I am a son of the soil I have the deepest sympathy for the farmers and their problems; I have studied their problems and I know the conditions under which they are labouring. I know further the remedies are very difficult of achievement. Nevertheless I congratulate the hon. member for Brome-Missisquoi (Mr. Pickel) on having brought forward this motion and intend to support it; I ask that every hon. member support it or show cause why he should not do so.



I have no quarrel with the grain growers and their representation in the house; they are doing exactly right when they come down here, discuss their problems and ask parliament to pass legislation which will assist them in the solution of those problems. We certainly have heard enough about them. I remember the session of 1922 when wheat was king in this house and the question of freight rates on wheat was uppermost in the mind of every hon. member.

I know the question of distribution is one of the most difficult with which any legislative body can deal and under our constitution that difficulty is doubled and trebled. The hon. member for Brome-Missisquoi has referred to the situation respecting the marketing of milk in Montreal. What he has said with respect to that is duplicated in every city and large municipality throughout the whole dominion and is something that should certainly engage the attention of those who, under our constitution, are primarily charged with the responsibility. I take it that they are the provincial authorities, but there is much that the federal authorities can do in a cooperative way in respect to this matter. In the city of Saint John, which is the largest municipality in New Brunswick, the consumer of milk pays ten cents a quart delivered, while the distributors of milk pay twenty-five cents for an eight-quart can, or a fraction over three cents a quart, delivered in Saint John. It will be seen at once that there is a spread of nearly seven cents between the cost of the distributor for milk delivered at his depot and the cost to the consumer. I say—and I say it with great confidence—that anyone who studies the question will agree with me that the cost of distribution is entirely too great and no blame is to be attached to either the consumer or the producer, but the fault lies with our method of distribution. I am not going so far as to say, as my colleague from Brome-Missisquoi has done, that these gentlemen are highwaymen and robbers; unquestionably they are in business for a profit, but there is a way of handling this proposition and it is by the cooperative method.

Mr. POWER: Political cooperation.

Mr. HANSON (York-Sunbury): I do not mean political cooperative method as suggested by the hon. member for Quebec South. I think he and I are pretty much in agreement as to that. There is a way, but it takes

somebody to point it out to the farmer. It is through the different departments of agriculture and I make this as a constructive suggestion. In the meantime attempts should be made to have the question investigated. We have a Combines Investigation Act.

Mr. MACKENZIE (Vancouver): Which is working overtime.

Mr. HANSON (York-Sunbury): I do not know it is working overtime on coal.

Mr. MACKENZIE (Vancouver): It is working on coal.

Mr. HANSON (York-Sunbury): I am not going to suggest it should not, but there is a large field of investigation with regard to the distribution of milk. The trouble with the act is that a foundation charge has to be laid by some private individual. It is not the business of any public functionary to start in motion the machinery of the law. That was the weakness of the act from the very beginning.

Mr. HEENAN: It is not necessary to wait for an information to be laid.

Mr. HANSON (York-Sunbury): I do not recall whether or not the hon. member for Kenora-Rainy River (Mr. Heenan) was the father of the act; perhaps it was his predecessor.

Mr. HEENAN: I just want to point out that my experience in connection with the act is that it is not necessary to wait for an information to be laid. If a case is drawn to the attention of the minister, he may take action.

Mr. HANSON (York-Sunbury): Some private individual has to bring it to the attention of the minister. I do not know what the experience of the ex-Minister of Labour (Mr. Heenan) may have been in connection with the act, but I know the results achieved under him have been actually nil, especially in regard to milk, and he was Minister of Labour for five years under the late government. We have heard a great deal of his sympathy for consumers, but when he was in a position to do something for the producers of milk and when this condition must have been known to him, because it has prevailed for years, he sat strangely silent.

The resolution, in my opinion, does not go quite far enough. It suggests that, in the opinion of this house, a special committee or another select standing committee on agriculture should be set up which will not deal with the problems of the grain growers.

Mr. VALLANCE: How is the house going to become acquainted with them?

Mr. HANSON (York-Sunbury): May I suggest that as long as the hon. gentleman is in the house, we shall be acquainted with them? I do not find any fault with his attitude in that respect. In what he is doing he is carrying out his full duty to his constituents. Nobody will complain about that. There is no doubt that the eastern agriculturist has been strangely silent in this house, and that opportunities should be given to him to ventilate the grievances he unquestionably has. This is the first step towards his attaining that end.

I commend the resolution to the Minister of Agriculture (Mr. Weir). I hope he will support it, and if he does I believe he will receive the thanks of thousands of agriculturists in eastern Canada who, after all, outnumber by far the agriculturists of western Canada, and who are the backbone of our dominion.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, I think it is quite proper that hon. gentlemen should ventilate this question, but I trust the government will not be too much exercised by the proposal to divide the agriculture committee into two or any other number of sections. If hon. gentlemen opposite desire to bring the milk, butter, egg or any other question before the committee I am sure they will find that on every occasion hon. members on this side of the house will be quite prepared to facilitate such action. It must be remembered that the government is responsible for questions submitted to the agriculture or any other committee; those matters must have the approval of the government. While it is claimed that those who are growing grain are more grasping and more insistent upon having their problems considered or ventilated, it is up to other hon. members who are particularly interested in these other problems to press their views with equal persistence.

Hon. members are mistaken, however, when they suggest that only two or three provinces are interested in the production of wheat. Every province in Canada grows wheat. Ontario grows on an average about 20,000,000 bushels; Quebec grows a very considerable quantity, and although the quantities grown in the maritime provinces and British Columbia are small, yet even those provinces grow some. I should like to remind the house that the western prairie provinces produce per capita as much as any other province of

the dominion of any kind of live stock you may mention. They produce, per capita, quantities equal to those of Ontario and Quebec. Mention anything you like—butter, eggs, bacon, ham, hogs, cattle, horses—and you will find that we produce per capita in quantities as large as Ontario and Quebec. I make the one exception of cheese, because the western provinces do not produce much of that commodity. So I say it is folly to asume we are not interested in mixed farming products. I hope the Minister of Agriculture will not be greatly moved by the pleading of hon. members who have already spoken, and that he will not accept the suggestion of dividing this country into two camps, one of wheat growers and the other of the producers of other farm commodities.

Mr. HANSON (York-Sunbury): It is divided now, and the hon. gentleman helped to do it.

Mr. MOTHERWELL: In my view that would be a mistaken policy. Further, it is the Minister of Trade and Commerce (Mr. Stevens), not the Minister of Agriculture, who refers questions pertaining to wheat or other cereals to the agriculture committee. If some hon. gentleman opposite, or from any other part of the house, will move to have all agricultural matters and products under one minister, he will have my support, irrespective of the present or past incumbents of that office. That is a move which should be made, so that there would be only one minister to deal with and not two as at present. For the past thirty years every problem affecting grain has been referred to the agriculture committee by the Minister of Trade and Commerce. I should be more enthusiastic about any move which would bring greater centralization in the Department of Agriculture than any action which might tend to separate it.

I recall that the hon. member for Brome-Missisquoi (Mr. Pickel) appeared as a member of the agriculture committee for the first time in 1931, on which occasion he spent most of his time slamming the system of grading farm products. Nearly all new members who come into this House of Commons, even those from the rural districts who are not familiar with the grading system, like to take a slam at it. Before they are here very long, however, they realize that after all it is worth while and a great improvement on former "pigs is pigs" or "eggs is eggs" methods. Let us improve but not ditch or discard our grading methods. At the end of the first session of this parliament I was pleased to find before this session was half through that even the new members on all sides of the house who had not given the grading system great study, were strongly in favour of perpetuating that standardization of farm products policy which had been inaugurated by the previous government. When he first appeared in the committee the hon. member for Brome-Missisquoi strongly advocated doing something drastic about the grading system. His suggestions were not definite however. It would appear that he wanted to hoist it, altogether. We realize that there are two or three commodities which present great difficulties, so far as grading is concerned. In this connection I would mention particularly hogs and eggs. However, taking it by and large the system of standardizing our products and especially those for export, has found general favour in the minds of both consumers and producers.

I do not know what advantage the hon. member for South Hastings (Mr. Tummon) hopes to obtain from dividing the agriculture committee. Probably he is under the impression that only eastern farmers are interested in dairy products. As I said before, although in the west we are not particularly interested in the production of cheese and the growing of tobacco or other commodities which require greater heat or precipitation than are afforded by our climate, our production of the commodities I mentioned previously is as great per capita of the total population as is the production in the other provinces of the dominion. Having that in mind I am sure the hon. member will realize the folly of dividing the committee, calling one "agriculture" and the other "wheat," as if wheat was not agriculture.

The hon. member for L'Assomption-Montcalm (Mr. Séguin) indicated that if there were an effort to divide the agriculture committee on a basis of commodities grown there would be difficulty in ascertaining where to stop. Fruit, vegetables and other commodities are produced right across the dominion, and for that reason rather than making a geographical division such as the one suggested it would be much better to cement the divisions already existing.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I think we owe thanks to the hon. member for Brome-Missisquoi (Mr. Pickel). He has invited the house to consider whether or not agriculture is entitled to a forum in which its problems may be adequately discussed. The last speaker has referred to per capita production of beef, butter, milk, pork, eggs and other kindred commodities in the west. In passing I suggest to him that probably that is not an

adequate yardstick by which to measure. In the east we have large urban centres, and a more restricted area under cultivation. Therefore I do not believe the application of the standard which he himself has invoked would lead him to a satisfactory conclusion. I think the hon. member will admit that whatever may be the production of beef, butter, cheese or eggs in the west, the first interest in that section of Canada is wheat. The complaint of the hon. member for Brome-Missisquoi is that topics more peculiar to the east are denied a hearing.

Some hon. MEMBERS: No, no.

Mr. BROWN: Never.

Mr. HACKETT: That is the situation which has been described by the hon. member for Brome-Missisquoi.

Mr. DUPUIS: He has been misinformed.

Mr. HACKETT: The desire of the hon. member for Brome-Missisquoi and of other hon. members from rural constituencies in the east is not to set the east against the west, or to disintegrate the agriculture committee, but merely to find a place in which the ills from which the agricultural population of the east now suffer may be adequately discussed, and, if possible, remedied. That is the argument of the hon. member, and I cannot imagine that any hon. gentleman in the house could oppose it. I am not a member of the agriculture committee, and I do not know whether it will be necessary to divide it to bring about the desired result. That may be a matter which the committee could determine as satisfactorily as could the house. I do know, however, that at the present time there is no place in which eastern agricultural problems are discussed; at least we can admit that. For instance there is a question which is vital to the milk producers of the eastern townships, that is butter. We were told a few minutes ago that our entire production of butter is consumed in Canada. We know furthermore that our Canadian production is adequate to the requirements of Canada. But the market and the price of butter appear to have been bedevilled by the possibility of importation from New Zealand. The disparity between the value of New Zealand money and our own and English money and our own has done much to nullify the benefit of the protective measures enacted by this government some months ago, so far as the butter producer is concerned. From time to time a few pounds of New Zealand butter come into the country, no large quantity came during the last year and a half, but there is the constant menace, with the result that butter is being sold at extremely low prices, which is very discouraging to that large element in southeastern Quebec that is engaged almost exclusively in that industry. If a certain part of the time of the sessions of the agriculture committee were allotted to the discussion of questions of this kind, or if a subdivision of the committee were to devote time to problems of this type, that element which now feels itself almost without representation and without opportunity of making known its situation would feel that something had been done to alleviate its distress. If, as stated by the hon. gentleman who spoke last, there are large interests in the west producing butter, eggs, cheese, poultry and possibly tobacco, it seems to me that they should welcome this opportunity of studying these problems. I do not think it would necessarily follow, if a subcommittee were set up or a certain portion of the time of the present committee were devoted to these problems, that east would be set against west. If these interests exist in the west as they do in the east, then both have a common interest in going into these matters and seeing whether the condition of those engaged in this type of production cannot be improved.

In bringing this question before the house at this time I feel that the hon. member for Brome-Missisquoi (Mr. Pickel) has expressed the ardent longing of that section of the country from which we come. He made also reference to legislation enacted within the last four or five years with regard to grading, he mentioned particularly hog-grading and egg-grading. Personally I am not possessed of information to qualify me to express an opinion as to the value of this legislation, but I do know that large elements feel that this legislation is burdensome. If it is beneficial, and if results are being achieved which warrant the expense of applying it, it would be a valuable service if the facts could be made known, because at the present time great numbers of the farming community feel that this legislation serves mainly one purpose, that of providing positions of emolument for the incumbents.

Mr. JOHN VALLANCE (South Battleford): It is not my intention to-day to make suggestions to the house as to how we should meet the problems facing the farmers of both eastern and western Canada. But I hasten to assure the hon. member for Brome-Missisquoi (Mr. Pickel) after listening to his argument, that if the solution of the problems stated by him is to be found in this resolution, then I am all for it.

He says:

That, in the opinion of this house, the agriculture committee would give much better satisfaction if it were divided into two sections: (a) agriculture section; (b) wheat section.

As I say, if the adoption of this resolution would remedy the ills he mentioned, I am all for it, but otherwise I am absolutely against it. I have been privileged since 1925 to be a member of the agriculture committee. The statistics that have been presented to-day by the hon. member for South Hastings (Mr. Tummon) do not present a true picture. The hon. member for Brome-Missisquoi charged that the western members are more aggressive; I admit it, but probably that is the reason we have at least attempted to grapple with the problems of western agriculture. I hasten to assure him that the same problems which he says are facing eastern agriculture to-day are facing western agriculture. During the years I have been privileged to sit on that committee I can assure the house that if they will consult the various reports that have been tabled they will find that we have discussed everything pertaining to agriculture; chickens, potatoes, butter, pork and pork products, the marketing and improvement of cattle, horses, etc. I have never known a question referred to the agriculture committee during the years I have sat on it that did not originate in this house or was not sent by some responsible minister of the crown, either the Minister of Agriculture, the Minister of Immigration and Colonization or the Minister of Trade and Commerce. If, as the hon. member contends, the eastern agriculturists have not had a fair break on the agriculture committee it is their own fault, they have the right to bring up on the floor of this house resolutions asking that certain matters be dealt with, and never in my experience has the committee refused to discuss them. One reason stands out preeminently in my mind for opposing the division of this committee, it is this; we have 245 members of this house, the greater number of them from the seats east of the great lakes, and if the problems of western agriculture are going to be discussed intelligently, without monopolizing the time of the house, the place is the floor of that committee, and representatives of various provinces east of the great lakes should find themselves in that committee, if not to contribute to the debates, at least to get some knowledge of the position. I think those members from eastern Canada who have been on the agriculture committee will admit that sitting in and listening to the discussion has been an education to them.

[Mr. Vallance.]

In connection with the figures given by the hon. member for South Hastings, we did revise the Canada Grain Act along about 1928, and I think he charged the committee with setting up a special committee or subcommittee that dealt entirely with the wheat problem and consolidation of the Canada Grain Act. There is no reason, even as the committee is constituted to-day, to prevent a subcommittee from discussing any problem pertaining to agriculture in any of its aspects. One would judge from the remarks of the hon. member for Brome-Missisquoi that all we do in western Canada is grow wheat or cereals. During the two months we sat here last fall I had the privilege of attending the Royal Winter Fair, and it amazed me the way western Canada scooped most of the prizes for cattle there. Does that indicate that we are only wheat growers? We are just as interested in all branches of agriculture as are the eastern provinces, your problems are our problems. I speak perhaps more as a grain grower than a stock raiser but I have some knowledge of the live stock industry and I am here to make any contribution I can towards the solution of its problems. These are our problems, and I think the proper place to discuss them is in the agriculture committee, with all sections of Canada represented. Do not divide the east against the west. I am sure the present Minister of Agriculture will agree with the ex-Minister of Agriculture and myself on that point. With the ex-Minister of Agriculture I say, again we have another illustration of the necessity for bringing all these branches of agriculture under one head. We in western Canada have always contended that the administration of the Canada Grain Act is not in the proper department of government. With all due respect to the officials of that department, we still believe that the administration of that act should be under the control of the Department of Agriculture.

I want to assure my hon. friend that in anything I say to-day I am merely endeavouring to accomplish the very thing he proposes to do when he advocates dividing the agriculture committee into two sections, but I say to him that he will never attain his object in the way he proposes. The proper method is for all the members interested in these problems which he has enumerated to bring up on the floor of the house any question that should be discussed with a view to solution, so that it might be referred by the government to the committee on agriculture, and as a westerner I can assure him that he will get one hundred per cent support from us in any effort that is made to solve the problems he has indicated.

Mr. H. A. MULLINS (Marquette): As a member from western Canada, I have been studying this resolution and I have come to the conclusion that it is not advisable to have two sections, a wheat section and one on agriculture, in the agriculture committee. I would suggest that we divide the time. Last session the entire time was taken up talking about a wheat called garnet. Both the Minister of Agriculture (Mr. Weir), and the hon. gentleman who last spoke (Mr. Vallance), know very well that there were many serious problems connected with agriculture which it was important to bring before the house and which we had no opportunity of discussing. I will refer to a few of these matters now.

During the recess I passed through the west and I took occasion to look into the conditions of agriculture, and I tell you now that unless some drastic step is taken and taken at once to save agriculture from its present situation we shall never get anywhere in Canada. I do not think there should be any division such as is proposed. I want us to stretch our hands over that wide space, and say that we are all Canadians. We want to understand each other. There are several problems that I am going to mention and I should like the Minister of Agriculture to listen to me because I am going to talk about them in a practical way. Unless he does something with regard to these problems there is no hope for agriculture.

I want the minister to take note of the commercial marketing of live stock; let him go over the live stock yards east and west and find out what is taking place there. Call the men to one side and talk to them about the commercial marketing of live stock in the stock yards at the various districts in the east and west, and you will see what is going on. I do not want it to be supposed that I am speaking for myself, for I am out of the business although I spent fifty-five years in the marketing of live stock products; but I am bound to say that there are many things going on to-day that are positively injurious to the successful marketing of cattle in the various stock yards. The situation is appalling. You stand in the alley way and see one man in possession of the yard, the salesmen waiting for one buyer. They are right in the grip of the big interests. I make that statement because I know what I am talking about. There is just one buyer in the yard and he can fix his own price. I say to the Minister of Agriculture that unless he puts an end to the iniquitous system which is in operation now, of requiring a bond of $10,000 for a man to do business in the yards, he will kill every little man doing business in western Canada; he will put them all out of business. I say, give the little fellow a chance; give the man with $5,000 a chance to operate in the yard, and the big fellow will not get the innings he is having to-day. Why should you ask for a bond of $10,000? And I believe that in the city of Winnipeg it is $180,000. The man who would be the most active buyer in the yard is the little man who is working with $5,000 or $6,000, but he cannot do business when he has to put up $10,000. The present system was inaugurated by the late Minister of Agriculture and, it is said, was adopted to protect the shipper of live stock. Well, in the old days he did not ask for protection. He came with his live stock and sold them in the yard. Before he got his money he would lock the gate and he would say, "When I get my cheque I will give you delivery of these cattle." That is the way business was done at that time.

I want now to say a word or two in regard to the grading of hogs. Here again a most iniquitous system has been adopted in connection with the grading of these animals. I have here a letter from one of the best cattle men in the west, a live stock salesman, indicating this iniquitous system of the grading of hogs is playing into the hands of those who are buying hogs in the yard, to the detriment of the farmers. That system is worn out and should be abolished.

Another thing I would mention is the need for some protection for the farmer. If you are giving protection to all other industries, why not give some to the farmer? Why not shut out all products that come into competition with the products of our farms? I have a list of products shipped in from various countries, products that are competing with our own farm production. I am not strong on statistics. I am like the hon. member for Labelle (Mr. Bourassa)—I do not take up the time of the house reading statistics. I did, however, ask the bureau of statistics for a list of products that come into competition with our agricultural products, and I will give it:

Dominion Bureau of Statistics—External trade branch memorandum showing—

Canada's Imports of Undermentioned Commodities

(Calendar year, 1932)

| — | | Total Imports into Canada | Imports from United Kingdom | Imports from United States | Imports from Other countries |
|---|---|---|---|---|---|
| Fish oil | gal. | 281,739 | 5,159 | 38,858 | 237,722 |
| | $ | 160,257 | 15,151 | 35,058 | 110,048 |
| Seal oil | gal. | 22,146 | ..... | ..... | 22,146 |
| | $ | 5,866 | ..... | ..... | 5,866 |
| Whale oil | gal. | 38,206 | 2,411 | 35,795 | ..... |
| | $ | 14,644 | 1,686 | 12,958 | ..... |
| Grease, rough for soap | cwt. | 220,833 | 664 | 205,888 | 14,281 |
| | $ | 731,038 | 4,249 | 683,384 | 43,405 |
| Lard | lb. | 1,040,186 | 12,434 | 1,027,752 | ..... |
| | $ | 47,469 | 961 | 46,508 | ..... |
| Lard compounds | lb. | 475,885 | 1,214 | 309,051 | 165,620 |
| | $ | 19,558 | 72 | 13,032 | 6,454 |
| Inedible vegetable oil, n.o.p. | gal. | 193,928 | 21,891 | 159,058 | 12,979 |
| | $ | 189,324 | 15,930 | 160,505 | 12,889 |
| Cocoanut oil for soap | gal. | 2,992,399 | 165,991 | 2,242,964 | 583,444 |
| | $ | 1,196,440 | 77,904 | 914,668 | 203,868 |
| Cotton seed and crude cotton seed oil | cwt. | 539,017 | 125,025 | 413,992 | ..... |
| | $ | 2,114,820 | 601,652 | 1,513,168 | ..... |
| Peanut oil for refining for edible purposes | cwt. | 46,407 | 11,040 | 4,260 | 31,107 |
| | $ | 250,317 | 76,000 | 18,208 | 156,109 |
| Peanut and soya bean oil for soap and for canning fish | gal. | 146,760 | 12,535 | 134,193 | 32 |
| | $ | 45,617 | 5,046 | 40,559 | 12 |
| Pork, in barrels | lb. | 2,640,925 | 36,267 | 2,424,658 | ..... |
| | $ | 130,318 | 1,365 | 128,953 | ..... |
| Pork, dry salted | lb. | 3,854 | ..... | 3,854 | ..... |
| | $ | 1,124 | ..... | 1,124 | ..... |

Then people ask why it is that the price of pork is so low. Does the house realize that Canada is importing pork in barrels from the United States to the extent of 2,460,925 pounds? We are bringing in pork from the United States down to the sea port, and into bonded warehouses, going outside the three mile limit. Why not use the Canadian product? All these products brought in from these various countries come into competition with our Canadian product, and I would ask the Minister of Agriculture to shut them out of Canada so as to give the men on our own land a chance. When I look at the man who struggles—

Mr. SPEAKER: I have no desire to interrupt the hon. member for Marquette (Mr. Mullins) but I cannot see that the remarks he has just made have anything to do with the resolution now before the house. The house is discussing the rearrangement of the agriculture committee, not the general question of agriculture.

Mr. MULLINS: I have had no chance to bring these matters before the committee because the members of that committee talk of wheat and of nothing else. If I cannot bring these matters before the committee, I want to bring them before the house.

There is another matter I should like to discuss, although it may be out of order, and if your honour rules against me I shall abide by your ruling. No man in western Canada can farm successfully in the face of the present freight rates. Forty years ago the freight rates were forty per cent less than they are to-day. It may be said that the railroads are losing money, but if by increased volume they could reduce rates to the point where they were forty years ago, they would be giving the man upon the land a chance. In shipping a carload of lumber to the prairies from the coast, the railroad gets seventy per cent while the man who finds the logs and cuts the timber receives only thirty per cent. These are matters which I would like to bring before the agriculture committee, but I have no chance to do so. The former Minister of Agriculture (Mr. Motherwell) will bear me out when I say that the only discussion in this committee was in connection with garnet wheat.

Mr. MOTHERWELL: Who brought it up?

Mr. GOTT: Or the protein content.

Mr. MULLINS: Garnet wheat was the only matter brought before the last committee.

Mr. MOTHERWELL: We did not bring it up.

Mr. MULLINS: In considering Canada there should not be an east and a west, but the fact is that the west is suffering and I want to say something on its behalf. As far as the freight revenues of the Canadian Pacific are concerned, the west has contributed far more than the east. From 1907 to 1911 the eastern lines earned $43,500,000 as compared with $91,500,000 for the western lines. The figures for 1912 to 1916 were $60,000,000 for eastern lines and $152,500,000 for western lines. For the period 1916 to 1920 eastern lines contributed $70,500,000 as compared with a contribution by the west amounting to $144,500,000. The heads of our railroads should go out to the western prairies and take a survey of the conditions faced by the man on the land. They should do something like James Hill did when he went out through Montana. When he realized the condition of the men upon the land in that state, he cut his freight rates by half on the Great Northern. The same thing should be done to help western Canada.

As I have said, I cannot agree with separating the east from the west, but I do think some time should be given in which matters other than wheat could be discussed by the agriculture committee. It is hard to discuss these matters in the house because some hon. members do not take a great deal of interest. I am interested in the success of agriculture and unless the man upon the land can be made prosperous, then God help the rest of Canada.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, it seems to me that in bringing this resolution before the house the hon. member for Brome-Missisquoi (Mr. Pickel) has been under a misapprehension. He seems to assume that some malign influence has been at work to prevent the problems affecting eastern agriculture from being discussed.

An hon. MEMBER: Not at all.

Mr. BROWN: He made the definite statement that the western members refused to discuss the problems of the east.

Mr. GOTT: He did not say any such thing.

Mr. BROWN: It certainly sounded like that. Any question which any hon. member desires to bring before the agriculture committee can be brought before it in a proper way. All that needs to be done is to have the matter brought before the house and referred to the committee by the Minister of Agriculture (Mr. Weir), the Minister of Trade and Commerce (Mr. Stevens) or any other member of the government. If that is done, I assure the hon. member that the matter will be discussed.

Apparently the hon. member forgets that two years ago we spent considerable time discussing matters pertaining to the hog trade. The hon. member for York-Sunbury (Mr. Hanson) mentioned milk. We are all agreed that this is a serious problem, but why did not some hon. member take the proper steps to bring this question before the committee? It was never done. If it is done I assure him that we from the west will be just as much interested in the solution of the problem as any hon. members from eastern Canada.

The hon. member who moved this resolution apparently assumes that we from the west are not interested in any question other than wheat. I should like to remind him, as he has been reminded already by the former Minister of Agriculture (Mr. Motherwell), that the west is intensely interested in all these problems. Does he realize that the province of Manitoba took in the neighbourhood of fifty per cent of the first prizes offered for butter at the various fairs held throughout Canada last summer? It is perfectly evident that we are intensely interested in many problems outside of wheat.

The member for Stanstead (Mr. Hackett) admitted that he spoke without authority, and his remarks made that quite evident. He stated that there was no place in which eastern agricultural questions could be discussed. Such a statement is not in accordance with the fact, because these questions can be brought before the agriculture committee. The hon. member for South Hastings (Mr. Tummon) gave the house certain statistics in connection with the various meetings held at which wheat and other questions were discussed. There has been an abundance of time for the discussion of other questions had they been brought before the committee; even when discussing the Canada Grain Act the committee did not sit every day in the week. I have been a member of this committee since 1922 and there never has been a question brought before it which was not discussed to the fullest possible extent. I can assure hon. members that if these questions are brought before the committee they will be discussed.

One fact has been impressed upon me since I have been a member of this house, and that is that the session is always so far advanced before these committees are set up. We were here two months last fall, we are now entering the second week since the house opened this year, and yet no work has been done by any committee. That has been the condition which has prevailed ever since I have been here. Hon. members have the time to give to the various committees if there is any business to be taken up.

I see no necessity to divide the agriculture committee. The occasion may arise, as it did when we were dealing with the grading and the protein content of wheat, to appoint a subcommittee, but I see no reason why this committee as a whole cannot deal with all problems relating to grain or agriculture generally. Again I say that I see no reason why we should seek to divide the east against the west.

Mr. CANTLEY: He is not doing that.

Mr. BROWN: Unfortunately the hon. member for Brome is seeking to do that.

Some hon. MEMBERS: No.

Mr. BROWN: Then why did he spend so much time talking about the western farmers having such a carefree life and being able to go to California to spend the winter months? I may be unparliamentary in my language, but to me such talk is pure nonsense. It does not add anything to the discussion to seek to give the impression that the western grain growers are so prosperous that they can spend their winters in California. Never at any time could more than a very small fraction of the grain growers of the west do any such thing. I feel that unless further reasons are given why we should adopt this resolution, I shall have to vote against it.

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, I was interested in the speech of the mover of the resolution which was presented in an entertaining style and contained some very significant truths. But when the mover of the resolution suggests that the western farmer would not be tied to a cow—I believe that was his expressive term—inferring he should turn to mixed farming, may I say quite seriously to all hon. members who represent eastern constituencies: What would happen to the farmers of eastern Canada if all the western farmers took to mixed farming? The eastern farmers would have a very fine time selling their products! The figures given by him with regard to our small exportable surplus, if they are accurate, are a great surprise to me; a great change in conditions must have occurred in the last few months because in my county of Grey, where mixed farming prevails, as I am sure the hon. member for North Grey (Mr. Porteous) will agree, a great deal of our produce goes overseas. It is all right for those who live close to Montreal to say that they do not ship much overseas; they do not, because they are near the largest city of Canada. I am going to check up on the figures. They are quite different from some of the figures that were given while the Imperial conference was in progress, as regards the very great need for an export market for the industry of agriculture.

There are very real reasons why wheat occupies a major portion of the discussion in the committee on agriculture. One reason is that wheat has been the largest single item in the export trade of Canada and to a great extent it determines the prosperity or lack of it of this country. There are other reasons why wheat has been given what may be a major place, not to the discredit of the grain growers or members who come from western constituencies but rather to their credit; they are seeking to do the best they can for their people. Another reason for the importance of wheat in the agriculture committee is that the farmers of western Canada are well organized. I almost stumbled into saying "intelligent enough to be well organized," but at any rate, they are well organized and they send not only a large group to this southeast corner who can speak as they will and who constantly fight for the agricultural interests of western Canada, but also those who represent western rural constituencies in the Liberal and Conservative parties and who have been outspoken in defence of their constituencies because they know quite well they have at home an organized and alert public opinion. I do not say that is the only reason why they have talked of wheat, but it gives assurance they will do so. Far too many of our eastern agricultural constituencies are represented by lawyers and doctors —and I have nothing against lawyers and doctors except that they know nothing about farming—who live in cities away from the land. Here may I take the opportunity of thanking the hon. member for Souris (Mr. Willis) for his very complimentary remarks about me in Winnipeg last year.

Mr. WILLIS: I did not utter a word.

Miss MACPHAIL: Not at the moment. This was during the recess. He referred to

my not too great knowledge. I plead guilty to a lack of knowledge of law but as regards his observations in the house on barley as a suitable food for hens—

Mr. WILLIS: I again plead innocence.

Miss MACPHAIL: I do not, as I said, know as much about law as does the hon. member, but at any rate I know about hens.

Eastern farming constituencies in Quebec, Ontario and the maritimes are too often represented by members who know nothing about agricultural conditions. Their utterances in this house go to prove my contention without my taking time to quote any of them, which, were I to quote would, I am sure, be very amusing to the house. I was glad, however, we had this afternoon one convert; if the conversion was not made, to-day, it was announced this afternoon by the hon. member for York-Sunbury (Mr. Hanson). He is now a strong advocate of cooperation, in which I wholly agree with him. I think the milk producers ought to cooperate; they ought to be given every possible assistance in doing so by the provincial government, the agricultural college, the agricultural representative in each particular district, and the press. It would be good for everyone if the milk producers were organized in a way that would enable them to market their own products or at least to see that the price paid by the consumer for the product came back in the main to the producer and not such a great proportion of it, running over 50 per cent and sometimes very much over going to the distributor. It is economically unsound to have six or seven delivery wagons going up and down one street. The departments of agriculture are doing their best, but they are running contrary to the economic policy of their governments and so do not get far, but just as soon as the provincial and Dominion governments are ready to give practical and moral cooperation, the thing can be done. So far the farmers have had to fight ignorance in their own ranks; they have had to fight the press and public opinion and too often the economic policies of governments. I am referring to milk because it was spoken of particularly. The milk producers of some of the provinces like Ontario and Quebec should have in this house some representative who can speak for them. It would be better, I think, if that man were here in the house as an independent; but even if he were not, if he had behind him a strongly organized milk producers' association that would be prepared to vote in their own behalf every time it was necessary, such a member would look after their interests. until the farmers of the east waken up to the fact that nobody can attend to their interests as well as they can themselves, the condition of which the mover of the resolution has complained will continue to exist.

Mr. G. C. WILSON (Wentworth): Mr. Speaker, I rise only to commend the hon. member for Brome-Missisquoi (Mr. Pickel) for bringing this matter to the attention of the house. When I first entered the chamber I was in accord with the resolution, but having heard the discussion, I wonder whether it would not be advisable to refer this matter to the committee on agriculture and, if necessary, to have subcommittees of that committee appointed. For instance, I represent a county —or misrepresented it, some people say—of some 67,000 people.

Miss MACPHAIL: Hear, hear.

Mr. WILSON: I hear the hon. member for Southeast Grey say "hear, hear." I am not going to talk about hens anyway. I represent the county of Wentworth with a population of 67,000. I have a milk producers' section, a fruit section, a potato-growers' section, a grain growers' section in my county and I have an urban section as well in which the largest farmers' market in the Dominion of Canada is situated. Possibly, therefore, I can speak with some assurance in regard to their interests. I commend the hon. member for bringing this matter to the attention of the house. An hon. member on the other side stated that it might be brought up in some other way. In speaking the other night I said that I would first try to put agriculture on its feet. An hon. member asked me how I would do this. If hon. members will look at Hansard, page 1733, they will find the following:

Mr. Spencer: How?

Mr. Wilson: By dealing internally with the troubles we have, that is with the milk problem, the butter problem, the dairy problem, the meat and meat products problem, right at home

I know very well it is going to be said that this is a provincial matter, but if this does nothing more than stir up the provincial authorities to act and act promptly as regards the problems of the farmers, a great deal will have been accomplished.

I wish to bring a petition before the house and I would have done so before but for the fact that the petition sent to me is, so I am advised, not properly prepared. Let me, however, read this petition sent to me, signed by hundreds of milk producers in my constituency:

We, the undersigned producers of milk, petition and request Mr. Gordon C. Wilson, M.P

to take whatever steps are necessary in order to bring to the attention of the government the unfair and unfortunate position in which we find ourselves to-day. We believe that some arrangement can be made whereby the producer of milk will be paid for his milk and milk products a price which at least covers the cost of production and provides for a profit on a par with that earned by the dairies.

As agriculture is one of the most important basic industries of Canada, all reasonable and effective measures should be taken to revive the dairy industry upon a basis equally advantageous to the producer and consumer.

That is the petition I shall present when I have it prepared in proper form in the course of a few days. I approve of the conduct of the hon. member for Brome-Missisquoi (Mr. Pickel), in bringing this matter before the house, and I respectfully suggest the agriculture committee should take notice of it. I am in accord with the remarks of the hon. member for South Battleford (Mr. Vallance), when he suggests that he does not think there was any attempt on the part of the mover to effect a separation between the eastern and western sections of Canada. Far be it from me to form that conclusion from the remarks of the hon. member for Brome-Missisquoi. Although for some time I was a member of the agriculture committee, I am not at the present time. I do feel however that those interested in fruit, grain, meat, meat products, or pork should be the ones to bring those particular commodities to the attention of the committee which, in turn, would bring it before the house. In that way very careful discussions would be the result, and proper measures could be introduced to relieve any situation which might arise. No one knows better than I, representing a constituency both urban and rural, that the first thing this government should attempt to do is to put agriculture on its feet.

Mr. J. E. TETREAULT (Shefford): Mr. Speaker, as a representative of a rural community I am pleased to support the resolution of the hon. member for Brome-Missisquoi (Mr. Pickel), and I should like to congratulate him upon bringing to the attention of the house a matter of very great importance. I am proud to say that all hon. members, with the exception of the hon. member for Lisgar (Mr. Brown), seemed to be in favour of the resolution. I have no doubt that although that particular hon. member is not in exact agreement, he may yet join in supporting it.

This resolution involves the major part of our population; we are discussing the problems of those people in whom we are most interested, the people providing our living. Even if hon. members are not farmers, or as the hon. member for Southeast Grey (Miss Macphail), suggests, if some are doctors, some lawyers or other professional men, we must all recognize that we are getting our living from the ground. When we have an opportunity to do something for agriculture, I think there is a duty cast upon us, regardless of the political party to which we may belong. I am happy to see that nearly all hon. members who have spoken to this resolution have approved of the attitude of the hon. member for Brome-Missisquoi, although I am sorry some hon. members opposite, from the western provinces, seem to have missed the meaning or the intention of the resolution. So far as I can ascertain it is not his intention to effect a division of the provinces, but—and I believe I am speaking correctly—it is his intention that when the agriculture committee meets we should divide its time so that the dairy industry or other sections of agriculture might receive proper attention, instead of devoting all the time to the problems of the wheat growers.

I have no doubt hon. members from the western provinces will not suggest that the hon. member for Brome-Missisquoi harbours any ill-feeling towards western Canada. I am sure he will agree that every class of agriculture should be treated in the same way. It is my view that an expression of opinion by many hon. members in the house concerning this important resolution would be greatly appreciated by farmers throughout Canada.

Mr. MARTIAL RHEAUME (St. John-Iberville) (Translation): Mr. Speaker, I am delighted at the attitude taken, this afternoon by the honourable member for Brome-Missisquoi (Mr. Pickel) and appreciate his remarks in connection with the Department of Agriculture, which are certainly true.

He blames his government for not taking an interest in the agricultural class of the Eastern Townships. I do not know whether it is a sign of approaching elections, however, we are now in the fourth session and it is the first time that the hon. member for Brome-Missisquoi champions the agricultural class.

An hon. MEMBER (Translation): Better late than never.

Mr. RHEAUME (Translation): On May 18, 1931, I introduced a resolution, which specially concerned agriculture in the Eastern Townships, requesting an increase in the grants allotted to live stock. My honourable friend from Brome-Missisquoi spoke a few minutes and stated he was opposed to this resolution. I, therefore, find his attitude this afternoon somewhat astonishing. I am aware that the hon. member for Brome-

Missisquoi won his election in 1930 by specially appealing to the farming class of his county, by blaming the Liberal government for having completely ignored agriculture. The western farmers are criticized for discussing only wheat. Hon. members of the opposition have certainly, on many occasions, spoken in favour of the farming industry in the Eastern Townships, especially as regards butter. Many have made suggestions and even requested that a bonus be granted on butter. We were not supported by the hon. members of Quebec; neither by those of the Eastern Townships nor by the hon. Postmaster General (Mr. Sauvé), nor the hon. Minister of Marine (Mr. Duranleau) both of whom have the honour of representing farming counties.

We have, more than once, requested a bonus on butter. We have, on many occasions, stated that the farming class both of the Eastern Townships and the province of Quebec required a bonus on its butter and cheese, yet not one member of the government had the courage of supporting the hon. members of the opposition.

The hon. member for Brome-Missisquoi requested an enquiry in connection with the price of milk. I share his views and I think that if the Dominion government instituted an enquiry on the milk distributed in Montreal, in connection with the price paid by the consumer and that paid to the farmer, they would discover an alarming situation. I hope that if an enquiry is held as regards milk one will also be held in connection with the meat trust. There exists, to-day, in Montreal, one of the largest trusts in this country: The Canada Packers and the Montreal Abattoir. The Canada Packers is composed of the Harris Abattoir, Canadian Packing, William Davis and Gunn, Limited, and, if I am not mistaken, there are in Toronto two similar companies: The Swift-Canadian and the Canada Packers.

Everybody is aware that the Eastern Township farmers are producers of butter, eggs and meat. I must state that in 1930 most of the eastern members generously responded to our appeal, and I am amazed that they awake, to-day, from their slumbers, after three years of session.

In connection with the price of meat, pork, for instance, sells at 2½ to 3¼ cents per pound; this, however, only on condition that the hogs be of first quality, which means that the weight of the animal must vary between 150 to 240 pounds and, if it weighs more than 240 pounds the dealers deduct one to two dollars per head.

I would request the Dominion government to help agriculture in Quebec and throughout the country in the same measure that the Quebec government is assisting their farming class.

I shall read to the house a short article which appeared in "La Victoire", a small newspaper published, as you will recall, during the by-election of Three Rivers:

> Farmers, you desire a bonus on your butter, which Mr. Taschereau refuses you, because his Minister of Agriculture finds it senseless to help the farmers. Well, vote for the government's candidate who is ready to grant it, if you so manifest the desire. Electors of Three Rivers and St. Maurice, vote for Bourgeois, on Monday, at the polls.

Well, I find it strange that the honourable member for Three Rivers, who represents a city and rural parishes, of which fifty per cent of the people are farmers, has never had the courage of rising in the house to move such a measure, after having promised it. It cannot be said that Liberal newspapers published this article. This newspaper bears the date of August 8, 1931, and a few of our good Conservative friends have, perhaps, laid aside a few copies.

Mr. TETREAULT (Translation): Will the honourable member permit me to ask him a question?

Mr. RHEAUME (Translation): With pleasure.

Mr. TETREAULT (Translation): On what date did the honourable members opposite introduce a motion in the House to request a bonus on butter, in addition to the assistance given by the provincial government.

Mr. RHEAUME (Translation): If the honourable member for Shefford (Mr. Tetreault) will refer to Hansard of 1932, he will find that the hon. member for Bellechasse (Mr. Boulanger) requested a bonus on butter in the speech he delivered in this house.

Mr. TETREAULT (Translation): There was no resolution moved, the hon. member for Bellechasse made this request in his speech.

Mr. DORION (Translation): No resolution was introduced.

Mr. MERCIER (St. Henri) (Translation): It is the bonus on butter which won the Three Rivers election.

Mr. RHEAUME (Translation): It is more than time that the hon. members opposite used their influence with the right hon. Prime Minister (Mr. Bennett) in order to request him to have the necessary measures enacted so as to help the Eastern Township

farmers and the other districts of the province of Quebec, Everybody is aware that unless something is done immediately to help the farming class, bankruptcy will appear everywhere. Many of our opponents are as well aware as I am of the farmers' plight and if one of these hon. members had the courage to rise in the house and request a bonus on butter, cheese or any other farm product, so as to help our farmers, he could rest assured that he would meet with no opposition on the part of the Liberal party.

I understand that the resolution under consideration requests that the committee on agriculture be divided into two sections, one of which would take up wheat and the other the dairy industry. If our western friends have obtained a bonus on wheat and if they obtain all they request, it is because they have the courage to rise in the house and set forth their claims. I have not the honour of being a member of the committee on agriculture and I do not know whether the hon. member for Brome-Missisquoi is one. If there are no members opposite included in this committee, I trust that the eastern township members and those of Quebec who represent rural districts will be invited to appear before this committee in order to make known their grievances and the needs of the province of Quebec.

I make these few suggestions, hoping that they will be taken under consideration. I would request the hon. members who have had the honour to be elected in the Eastern Townships and in other rural constituencies of Quebec to do their utmost in order to improve the lot of the farming class and, this, as soon as possible. If nothing is done within the next few months, we shall certainly witness a complete bankruptcy of the farming community.

Mr. L. DUGUAY (Lake St. John) (Translation): Representing a rural constituency and being a member of the committee on agriculture and colonization, I deem it my duty, first, to extend my sincere congratulation to the hon. member for Brome-Missisquoi (Mr. Pickel) on the resolution which he introduced this afternoon, and then to express my humble views on the subject matter. When certain hon. members contend that this resolution purports to divide the west from the east, I wonder why they make such an assertion. In my opinion the resolution simply aims at granting more time to the study of the various agricultural problems.

I was present at most of the sittings of the committee on agriculture and I can assert, to my knowledge, that the question of wheat was always to the fore, except once when eggs were discussed. I therefore think it wise to divide the committee on agriculture into two sections and have one group of members devote their time to farming in general. This will not be to the disadvantage of western farmers since they themselves state that they carry on mixed farming. We could study this subject, thus allowing more time to those who specialize in wheat growing.

Allow me to state, sir, that when one attends the committee on agriculture five or six times to discuss a subject which is of particular interest to him and finds that wheat takes up the whole time, this subject in the long run appears tedious, especially if one hails from the outlying parts of the province of Quebec. If there existed a subdivision of this committee, we would likely appear more regularly at the sittings and take a greater interest in the discussion of problems which we have at heart.

It is unfortunate to note that hon. members of the opposition and especially those of Quebec, when it is a question of agriculture, are not broadminded enough in discussing this question outside of petty politics. Two of these hon. members this afternoon spoke on this resolution. Unfortunately, contentions were brought up, which I might characterize as false. The hon. member for St. Johns-Iberville (Mr. Rhéaume) states that agriculture is encouraged in the province of Quebec; let him request the Prime Minister of that province to settle the bill of $452 which is due to Mr. Wilfrid Ouellette, since January last.

Mr. RHEAUME (Translation): This does not appear in the resolution.

Mr. DUGUAY (Translation): I am aware that I am outside of the subject and that this question does not please my hon. friend. I must inform my hon. friend on the left that they should not attach to my remarks more spite than they actually imply, but to consider them simply as a wish to show matters in their true light.

I wish to state in closing my remarks that I am in favour of the resolution and that, if I am called upon to vote, I shall support the motion.

Mr. PAUL MERCIER (St. Henri) (Translation): Mr. Speaker, I listened with much pleasure to the discussion which took place between my friends from the province of Quebec, on both sides of the house. I congratulate the hon. member for Brome-Missisquoi (Mr. Pickel) for having given us the opportunity of discussing the subject matter of this resolution, by moving that the agri-

cultural question which interests both east and west be considered on an equal footing. I agree with him heartily.

Although being a city lawyer, I am somewhat acquainted and love the countryside. My forebears were farmers and it always gives me much pleasure to hear farming discussed, because Quebec, from the viewpoint of mixed farming, is the first province of confederation.

In this discussion I am particularly interested in the suggestions made to the Government by our friends on the right. They request an enquiry on milk. Very well! I am in favour of it. The farmers of Quebec are taken advantage of, there is no doubt about it. They are allowed seventy cents per hundred pounds of milk, as the honourable member for Brome-Missisquoi stated, and, in many localities in Quebec, milk dealers allow farmers only what they themselves are willing to grant them. The milk producers are never certain of the price they will obtain for their product and they never know what amount is enclosed in the envelope which is forwarded by the butter or cheese factories. Milk is purchased very cheaply in the rural districts and it has been sold as high as eleven cents per quart in the cities; to-day, it is sold at ten cents a quart. As the honourable member for Brome-Missisquoi, who made a special study of the question, stated, is it reasonable that milk distributors should make a profit of four to five dollars per hundred pounds? I state that it is a shameful exploitation and that no government should tolerate such a situation. Moreover, this milk is distributed to poverty stricken people and the Dominion Government pay one-third of the cost, the provincial government one-third, and the municipality the other third. This government is therefore interested in legislating on this question, in order to put an end to this exploitation and do justice to the consumers as well as the farmers.

If the farmer is too highly paid, we are charged too much; if the farmers are underpaid, we, city consumers, are still charged too much. A readjustment of prices must take place, this protection must not be granted to those who form part of trusts and exploit, first, the farmer and then the city consumer.

The same may be said of coal. An enquiry is at present being held on coal. I trust that it will not come out as dark as coal itself, that light will be thrown on the subject and the situation remedied. We are informed that coal is hardly worth seven dollars per ton delivered in Montreal, yet it is sold to consumers at fifteen and sixteen dollars per ton. There is no reason why coal should sell at such high prices. There again the Dominion Government has an interest since it pays, in Montreal and in all cities of Quebec, one-third of the price of the coal which is supplied to those in need, the other two-thirds being paid by the province and the municipality. It is, therefore, in the government's interest to pay a lower price for this coal and they should refer the matter to the Labour Department in order that an inquiry may be held on trusts, as the members on the right have just requested on the milk trusts, for which I congratulate them.

It is all very well to ask that the Committee on Agriculture be divided into two sections, one on mixed farming and the other on wheat, but this committee embraces all the branches of agricultural activities in this country. If honourable members wish to be heard they have but to consult the rules of the House. If they have reason to complain, they have but to put their grievances in writing and muster up sufficient courage to bring them up in the House, even if they are not looked upon favourably by the government. We shall heed them and refer them to the Committee on Agriculture where they may be threshed out and justice done to farmers and consumers. Let them put in writing their complaints, let them place them on the order paper of the House and demand a vote. Notwithstanding all efforts brought to bear to have them withdrawn, under pretext that they might harm the government, let them see that they remain on the order paper of the House. Let them move their adoption, they will be put to a vote and if they have a majority they will be referred to the Committee on Agriculture where they will be given the time necessary so as to be discussed without any need of sub-dividing the committee into two sections. We shall help them, in the committee, to pass all the resolutions that they wish to introduce with a view to forcing the government to act, that is in case they should refuse to protect the farmers and prevent exploitation of consumers in the cities.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I will only detain you two or three minutes. During the discussion this afternoon reference was made to an alleged milk combine in Montreal. Reference was also made by the hon. member for York-Sunbury (Mr. Hanson) to the fact that the Combines Investigation Act was not what he thought it ought to be, I thought I would be helpful in telling him how the machinery was set in motion. He, in his usual style, said that as far as the member for Kenora-

Rainy River was concerned, while he was in office for five years—it was in fact only four—the results under the Combines Investigation Act were nil, and he snapped his fingers in the customary know-it-all style which characterizes the hon. gentleman. Just to keep the record straight let me say that the Combines Investigation Act is probably one of the most unpopular acts on the statute books, and one of the most unpopular to administer. I can say that from experience. But when the hon. member says there were no results, and just leaves it at that, I think we should make a matter of record some of the things actually done. When I held office—

Mr. SPEAKER: I do not wish to interrupt the hon. member for Kenora-Rainy River, but the resolution that is being discussed relates to the rearrangement of the agriculture committee.

Mr. HEENAN: I am referring to some remarks made in the course of the debate.

Mr. SPEAKER: Even so I would ask the hon. member to restrict his remarks to the resolution.

Mr. HEENAN: I am replying to statements—

Mr. SPEAKER: Whether it is in reply or not it is irrelevant to discuss other matters in the debate on a resolution to rearrange the agriculture committee.

Mr. HEENAN: During the course of the debate a question was brought up about combines and the hon. gentleman remarked that the Combines Investigation Act was not working; he referred specifically to milk. I am only replying to those remarks.

Mr. SPEAKER: It does not make the remarks any more in order.

Mr. HEENAN: I am only sorry that you permitted the remarks to go in the first place. Having permitted those remarks to be made in the house accusing the ex-Minister of Labour of doing nothing, I think in all fairness you should permit him to reply. I hope I have your honour's permission.

Mr. SPEAKER: I do not recall in the debate hearing criticism of the hon. member as Minister of Labour. If he was so criticized it was improper and the Speaker should have stopped it. But I must ask hon. members to confine their remarks to the resolution before the house.

Mr. HEENAN: The hon. member for York-Sunbury said there had been no protection for the milk industry under the Combines Investigation Act while I was Minister of Labour. I want to say that in nearly every instance when officers went to investigate an alleged combine they were met with the statement that the act was unconstitutional and if the investigation were persisted in the matter would be taken to the privy council to have the act declared ultra vires.

Some hon. MEMBERS: Order.

Mr. HEENAN: In 1926 we appointed a commissioner to investigate a complaint as to what was known as the drug combine, the P.A.T.A. The result was that the act went to the privy council and was held to be intra vires of the federal parliament, and the P.A.T.A. was dissolved. In 1929 what was known as the A.B.C., the Amalgamated Builders Council, was investigated. The case was brought to court and there were convictions, and fines amounting to $45,000 were imposed.

An hon. MEMBER: What has that to do with the agriculture committee?

Mr. HEENAN: I may say that every time you squeeze an onion it makes your eyes water more.

Mr. GOTT: You cannot make any reference to me now, I am not in this.

Mr. HEENAN: I was not referring to my hon. friend.

Mr. GOTT: I represent the best farming section in the dominion, including the best onion growers.

Mr. LAPOINTE: It may be the best section, but badly represented.

Mr. HEENAN: In addition to the $45,000 these gentlemen were fined, they returned $16,000 to concerns from whom they had taken money they felt ought to be returned. In 1930 the Electrical Estimators Association in Toronto was investigated, and upon being taken to court fines amounting to $26,000 were imposed.

Mr. GOTT: You would be closer to the subject if you did discuss onions.

Mr. ROWE: Mr. Speaker, on a point of order, I wish to draw your attention again to the fact that this is absolutely irrelevant to the question before the house.

Mr. SPEAKER: The remarks of the hon. member now addressing the house are out of order. Recounting the operation of the Combines Investigation Act so far has not been connected with the resolution, which is that

in the opinion of this house the agriculture committee would give better satisfaction if it were divided. The hon. member for Kenora-Rainy River knows as well as anyone in the house that what he is saying now is not in order.

Mr. HEENAN: Well, I have to repeat that unfortunately Your Honour has not been in the chair all afternoon, and during the discussion the hon. gentleman who introduced the resolution alleged there was a combine in milk in Montreal. Then the hon. member for York-Sunbury said the Combines Investigation Act did not function under my administration, mentioning the ex-Minister of Labour. I will come to the point right now and say that the alleged milk combine in Montreal was investigated during my administration, and the officers of the department reported that there was no combine existing. I just want to have the record right, and to say in addition that there were over one hundred other cases investigated during the time I was in office.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I am sure it will give a good deal of satisfaction to the hon. member for Brome-Missisquoi (Mr. Pickel) that his resolution has provoked this discussion, showing the interest he has aroused. I shall be very brief.

In the 1931 session the agriculture committee held twenty-two meetings. Seventeen of these meetings were devoted to a reference from the agriculture committee, and all of the seventeen dealt with mixed farming, none with wheat. Among the items dealt with there was that of grading.

I think that if it were generally understood that our grading policies grew out of a demand from the producers themselves it would set at rest the minds of many people who perhaps do not thoroughly understand them and take exception to them. All that grading does is to put the highest quality product here, the second there, the third next and so on, so that the purchaser can have the benefit thereof in purchasing and it encourages our producers to turn out the highest quality.

Another problem discussed was that of milk prices. This is almost entirely a question for the provinces, and the provinces have taken very serious hold of it. At least two of the provinces have for the past few weeks or months, I believe, been engaged in very serious and careful investigation of milk prices. The Quebec government, I believe, have almost finished their investigation. They have a few references to report upon yet, and the report is not printed but only in typewritten form. The Ontario government have also done a good deal of work in this connection.

With reference to the stock yard question, we have been in consultation with the various stock yard representatives throughout the dominion and they have before them now a request from the Department of Agriculture with regard to a reduction in the charges in stock yards. We hope to hear from them in the course of at least a week or two.

It is regrettable, in a house like this, representative of all Canada, that misrepresentation should unwittingly be made regarding a great body of farmers in the dominion. I can assure hon. members that if any of them think of going to western Canada they will still find a great number of farmers living there in the winter time and that they are not all in California.

After listening to the discussion, I cannot see any problem in connection with the division of the committee on agriculture. All hon. members from eastern Canada who have spoken have expressed themselves in favour of a fuller discussion of the problems of eastern Canadian agriculture, or agriculture apart from wheat; therefore they are agreed. And I believe that all western speakers have also spoken in favour of at least a perfectly full discussion of eastern problems in agriculture. Personally I think that there is ample room and opportunity within the committee on agriculture, as it is at present constituted, to discuss all these problems. The east will get the benefit of suggestions from the west, and the west will receive some suggestions from the older and more experienced agriculturists in the east. Therefore I should like to see this matter left as it is and brought up before the committee on agriculture, because no one listening to the discussion this afternoon can have any opinion but one, and that is the necessity for cooperation and for a full discussion of any agricultural problems that are placed before the committee.

Mr. BOUCHARD: Mr. Speaker, will you please call it six o'clock.

Mr. LAPOINTE: What is the business to-morrow?

Mr. GUTHRIE: Public bills and orders.

Mr. LAPOINTE: And estimates?

Mr. GUTHRIE: I doubt whether we shall get into estimates, but if we do we will take up one of the departments that have been opened.

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

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## Thursday, February 9, 1933

The house met at three o'clock.

### INDIAN ACT AMENDMENT

Hon. T. G. MURPHY (Minister of the Interior) moved for leave to introduce Bill No. 21, to amend the Indian Act.

Some hon. MEMBERS: Explain.

Mr. MURPHY: It is proposed to make certain amendments to the Indian Act dealing with the appointment of truancy officers and executors of estates; also relating to the sale of cattle and field crops; the establishment of roads on reserves; enfranchisement; residing or hunting upon reserves without authority; and the regulation of the operations of hawkers, peddlers and others on reserves.

Motion agreed to and bill read the first time.

### GRADING OF HAY AND STRAW

Hon. ROBERT WEIR (Minister of Agriculture) moved for leave to introduce Bill No. 22, respecting the inspection and grading of hay and straw.

Some hon. MEMBERS: Explain.

Mr. WEIR (Melfort): The present grades for hay and straw were established some twenty-five years ago, when the demand for these commodities was of a different nature from now. We have had a number of requests that the definitions of the grades as set out in the statute be repealed and that authority be given to the minister to establish new grades more in conformity with present requirements. If this bill could be given its two readings this afternoon, I would then refer it to the committee on agriculture.

Motion agreed to and bill read the first time.

[Mr. Lapointe.]

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### DOMINION-PROVINCIAL CONFERENCE

Mr. AHEARN:

At the coming conference with the provincial governments, is it the intention of the government to move to obtain an agreement whereby the censoring of motion pictures be concentrated under a minister of the Dominion government?

Sir GEORGE PERLEY: This question apparently refers to matters coming before the interprovincial conference which was held last fall. I think the question is out of date.

#### RAILWAY REST AND FEED STATIONS

Mr. GARDINER:

1. At what points between Calgary and Saint John are rest and feed stations available?
2. What are the facilities at these various stations?
3. Are the stations operated under the direct control of the railway or are they privately operated; if privately operated, what are the names of the operators?
4. Are the railway companies financially interested in any of such operators; if so, what is their interest?
5. What is the price of fodder charged shippers at the various feeding stations; where price is per bale is there any standard weight of such bale?
6. What inspection, if any, is made of quality of fodder supplied?

Mr. MANION: This question can be passed as an order for a return so far as the Canadian National Railway is concerned, but we have no records of the Canadian Pacific Railway with respect to this matter. I am sure that my hon. friend could get that part of the information by writing to the Canadian Pacific Railway.

Mr. SPEAKER: Question passed as an order for a return.

Mr. MANION: So far as the Canadian National Railway is concerned.

#### NEW ZEALAND BUTTER

Mr. MACLEAN:

1. How many pounds of New Zealand butter were imported into Canada in 1932?
2. How many pounds of New Zealand butter were imported into Canada up to present date during the month of January, 1933?
3. What is the total amount for both periods?

Mr. STEVENS:

1. Canada's imports of butter from New Zealand entered for consumption, for the year ended December 31, 1932, were 50,972 pounds.

2. Canada's imports of butter from New Zealand entered for consumption, for the month of January, 1933, were 76,924 pounds.

3. Canada's imports of butter from New Zealand entered for consumption from January 1, 1932 to January 31, 1933, were 127,896 pounds.

CANADIAN RAILWAYS—EMPLOYEES

Mr. LUCHKOVICH:

How many persons were employed on Canadian railroads in 1928, 1929, 1930, 1931 and 1932?

Mr. MANION: The average number of railway employees throughout Canada is as follows:

| | |
|---|---|
| 1928 | 187,710 |
| 1929 | 187,846 |
| 1930 | 174,485 |
| 1931 | 154,569 |

1932—Complete returns not yet available.

CAMPBELLTON, N.B., POSTMASTERSHIP

Mr. POULIOT:

1. Has Mr. A. C. Belle-Isle been appointed postmaster of Campbellton, New Brunswick?

2. If so: (a) on what date was he appointed; (b) was he advised that an inspector would install him as postmaster at a given date, and in such a case, on what date?

3. Was he installed as postmaster of Campbellton?

4. If so: (a) on what date; (b) if not, why?

Mr. SAUVE:

1. Yes.

2, 3 and 4. A certificate was issued by the Civil Service Commission on behalf of Mr. Belle-Isle on the 20th January, 1933, and Mr. Belle-Isle would be notified by the district superintendent of the probable date of the transfer. Mr. Belle-Isle was installed on the 4th instant.

BITUMINOUS COAL IMPORTATIONS

Mr. DUFF:

1. How much bituminous coal was imported into Canada during the year of 1932?

2. What quantity came from the United States of America?

3. What quantity came from Great Britain?

4. What quantity came from other countries?

Mr. STEVENS:

1, 2, 3 and 4. Canada's imports of bituminous coal entered for consumption, by countries, year ended December 31, 1932, were:

| Imports from | Tons of 2,000 lbs | $ |
|---|---|---|
| United Kingdom | 332,037 | 766,084 |
| United States | 8,187,178 | 10,824,064 |
| Newfoundland | 2 | 24 |
| Total Imports | 8,519,217 | 11,590,172 |

## QUESTION PASSED AS ORDER FOR RETURN

RAILWAY REST AND FEED STATIONS

Mr. GARDINER:

1. At what points between Calgary and Saint John are rest and feed stations available?

2. What are the facilities at these various stations?

3. Are the stations operated under the direct control of the railway or are they privately operated; if privately operated, what are the names of the operators?

4. Are the railway companies financially interested in any of such operators; if so, what is their interest?

5. What is the price of fodder charged shippers at the various feeding stations; where price is per bale is there any standard weight of such bale?

6. What inspection, if any, is made of quality of fodder supplied?

## TRADE RELATIONS WITH RUSSIA

PROPOSED EXCHANGE OF CANADIAN CATTLE AND OTHER COMMODITIES FOR RUSSIAN PETROLEUM AND OIL

On the orders of the day:

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of Justice, who is leading the house, the following question: Will the government afford the house an early opportunity of discussing the proposed Canadian syndicate Russian barter transaction in cattle and oil and other commodities? What I mean by an early opportunity is, say, not later than next Tuesday because, in the absence of the Prime Minister, which we all regret, I know that we cannot expect the opportunity to be afforded to-morrow.

Hon. HUGH GUTHRIE (Minister of Justice): In answer to my hon. friend, I shall discuss the question with the Prime Minister at the first opportunity, probably this afternoon, and let him have an answer

to-morrow. I think an early opportunity could be afforded for a discussion of the matter, but the proposal that I have heard made was that it should be discussed on the estimates of the Agriculture department. However, if that is not agreeable to the house, some other date can be fixed.

Mr. MOTHERWELL: That will be quite satisfactory to me, if we may discuss it on the live stock vote.

Mr. GUTHRIE: I think that would be the appropriate time, and if it is acceptable to the house we shall arrange to have the matter discussed on the live stock vote of the Department of Agriculture.

Mr. MACKENZIE KING: Is the reply of the Minister of Justice intended to convey the impression that the Minister of Agriculture will take up his estimates on Tuesday so that the matter may be discussed at that time?

Mr. GUTHRIE: No, I did not intend to leave that impression. I have not discussed the matter with the Minister of Agriculture. I do not know when he will be ready with his estimates, but I fancy it will not be at a very distant date.

Mr. MACKENZIE KING: In the meantime apparently there is at least one syndicate trying to make an agreement to exchange cattle for Russian goods. May I ask the Minister of Justice, whether the government would be opposed to such an agreement being carried out provided it could be made satisfactorily and without any government guarantees?

Mr. GUTHRIE: I am not going to express an opinion on behalf of the government in answer to the question of the right hon. gentleman. The matter was fully placed before the house by the Prime Minister himself, and I have no further information than he afforded the house on that occasion.

Mr. MOTHERWELL: I have no right to speak for the Minister of Agriculture, but I have a hunch that he will be quite ready by next Tuesday.

Mr. GUTHRIE: I am sure reasonable notice will be given.

Mr. SAMUEL FACTOR (Toronto West Centre): Mr. Speaker, I should like to ask the Minister of Justice if the government has been approached by a steel industry concerning a certain barter involving an exchange of steel rails for Russian oil, to a value of about $4,000,000? What is the attitude of the government towards that proposed barter?

Mr. GUTHRIE: No offer of the kind has come to my knowledge. Until this moment I had not heard of it, but I shall make inquiries regarding it and let the hon. member know.

## CANADIAN NATIONAL RAILWAYS

### REPORTED PURCHASE OF RAILWAY DOCK AT VANCOUVER BY FIRM OF COAL MERCHANTS

On the orders of the day.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, I should like to ask a question of the Minister of Railways and Canals (Mr. Manion). A press report from Vancouver contains the information that representatives of Hull, Blyth and Company, old country coal merchants, are leaving for the east to negotiate with authorities of the Canadian National Railways for the purchase of the railways' dock at Vancouver harbour. I should like to know if the minister has any information in this connection, or whether he will obtain it and give it to the house.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I have heard more or less indirectly that there have been some negotiations between the Canadian National Railways and some other parties concerning the dock in question. However I cannot give any accurate information at this time. I understand the railways are not using the dock to any great extent. I shall make inquiries however and give the hon. member any information I may receive from the railway company.

## ANYOX, B. C., DISTURBANCE

On the orders of the day.

Mr. OLOF HANSON (Skeena): Mr. Speaker, I should like to know if the Minister of Justice (Mr. Guthrie) has received any further information concerning the trouble at Anyox.

Hon. HUGH GUTHRIE (Minister of Justice): No word has been received concerning the situation at Anyox since last Sunday. I apprehend conditions are quiet at that point, or we should have heard.

## RUMOURED DEPORTATIONS

On the orders of the day.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I should like to know if it is the intention of the government to deport Fred Booth, John Harris, Tom Kirbride and J. Waldon, all of Bienfait, Saskatchewan, together with their families? I have been notified that such deportations will take place. Is there any truth in this notice of deportations I have received?

Hon. HUGH GUTHRIE (Minister of Justice): I shall draw the hon. member's question to the atttention of the Minister of Labour as soon as he enters the house. His department is charged with deportation matters.

## WESTERN FREIGHT RATES

INQUIRY CONCERNING APPEAL BY WESTERN PROVINCES FOR RE-HEARING

On the orders of the day.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, in respect to the appeal made by the provinces of Saskatchewan, Alberta and British Columbia in October, 1929, against the decision of the Board of Railway Commissioners in their order No. 448 dated August 26, 1927, I should like to ask when an answer will be given or a date set for re-hearing?

Hon. R. J. MANION (Minister of Railways and Canals): I believe I explained the other day that at the interprovincial conference an understanding was arrived at by which domestic freight rates on feed grains were to be lowered. Representatives at that conference from the western provinces were quite agreeable. Although the proposal was delayed a short time owing to the illness of a traffic officer of the Canadian Pacific Railway, it has now been received, and I have submitted it to the western provinces. If it is acceptable to them—and I think it will be—it may be that the appeal will be disposed of. However when the replies arrive the government will have to deal with the appeal in the proper manner.

## GRANTS FOR THE DREDGING AND DRAINAGE OF RIVERS

On the orders of the day.

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, I wish to put a question to the hon. Postmaster General (Mr. Sauvé): I want to inquire whether he has received from the Department of Public Works a grant of 50 per cent on the dredging and drainage cost of rivers in Laval-Two Mountains county, since 1930, and what is the amount?

Hon. ARTHUR SAUVE (Postmaster General) (Translation): I do not quite follow the drift of the hon. member for Laprairie-Napierville's question. I shall make inquiries and consult the files, if necessary, and shall give him, in due time, the answer to which he is entitled.

Mr. DUPUIS (Translation): Does the hon Postmaster General wish me to put the question in English?

Hon. Mr. SAUVE (Translation): If the hon. member thinks he can better express the purport of his question in English, he is free to do so.

Mr. DUPUIS (Translation): I did not catch what was said. Does the hon. Postmaster General wish to reply in English?

## COOPERATIVE COMMONWEALTH

The house resumed from Thursday, February 2, consideration of the motion of Mr. Woodsworth:

Whereas under our present economic arrangement large numbers of our people are unemployed and without the means of earning a livelihood for themselves and their dependents;

And whereas the prevalence of the present depression throughout the world indicates fundamental defects in the existing economic system;

Therefore be it resolved, that, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, the resolution before the house to-day was moved on the first day of this month by the hon. member for Winnipeg North Centre (Mr. Woodsworth). It was discussed very ably by hon. members from this side of the house, as well as those from the Progressive, Labour and Independent groups, but Liberal members observed a discreet and possibly ominous silence. None of them has yet indicated his reaction to this resolution. Coming in at this time, when we are in the midst of an unusual depression, at a time when there is considerable unrest in the country, the resolution has created a great deal of interest in the house and country. On account of the new political party sponsoring it, and the acclaim the party has received, the resolution has produced the impression in the

minds of some people that it challenges our democratic institutions. It is for that reason only that I venture into the debate.

The first clause deals with the unprecedented unemployment situation obtaining in Canada and in other lands. There is no doubt that everyone regrets the extreme unemployment and the attending distress suffered by many of our citizens. The unemployment situation which we have has been produced by many forces. They are world-wide in their character and have been in operation for some years. I would judge that the great war and the unusual inflation following it, and the unprecedented prosperity from 1921 to 1929, have been largely the causes of our present depression. It commenced in the latter half of 1929 and by the time of the election in 1930 was well under way. It has continued since that time and we are still looking for a solution. This country is not worse off in that regard than other countries, and I compliment the government on the courage and efficiency they have shown in attacking this situation and bringing relief to our unemployed as much as possible.

You may say that the unemployed fall into two classes; the first class, those citizens who never have accepted responsibility for making a living for themselves and providing for their dependents. These people have been on the unemployed list before and probably will be as long as they live. They accept employment by fits and starts but are very much subject to wanting leisure. The second class consists of those citizens who do accept the responsibility of making a living for themselves and providing for their dependents. They are the larger class. The unemployment list to-day includes quite a number who have come on it only this year, because their little savings that they had accumulated in previous years have been spent, and only with great reluctance have they ventured to ask for assistance under the unemployment relief scheme, that is direct relief, that we have this year. This is the class of citizen that deserves sympathy and should get every assistance possible.

Before the present time it has not been looked upon as the duty of the government to provide jobs for the individual. It is the duty of the government to make the laws, to put into effect such machinery as will enforce them, to see to it that the individual's rights and liberty and life are protected, that he is given justice as between man and man. It is the duty of the citizen to obey those laws, to provide for himself as far as possible and to assist in paying the taxes that will keep the country solvent. Many of the people who are on the unemployed list to-day are not able to pay taxes, but they have paid taxes before and it is not their fault that at present they are not able to do so. It has been said in this house that large numbers of people in this country have been denied the right to work. This is a free country and the right is not denied to any person to work in any vocation he chooses. But circumstances may be such that if they depend for their day's labour on the ingenuity and initiative of some other individual, under the circumstances we have to-day that other individual may be unable to give them employment. To my mind employment is not going to get much better in the future. We have a condition, brought about by many forces, as I have already indicated, that will render employment in factories and other places not so extensive as in the past.

The unemployment relief system which we have to-day is not satisfactory, it is not a permanent solution for our difficulties. It will be a less satisfactory solution in the future, and I am going to offer a suggestion to the government that I have not heard mentioned before. I do not know of any country that has put anything like it into effect. It is this, that the government should set up some means by which more people will be returned to the land. The government has made some efforts in that direction; I compliment them on it. It is the right direction. They are putting certain people on crown lands in various parts of the country. They are assisting them to make homes and provide for themselves. But I would go further than that. There are large tracts of land going back to a state of nature all over this country. In Ontario —I speak of it particularly—there are large tracts of land unused at the present time farms practically deserted. You see them in all sections, with only a fence around the hundred acres, no fences within, going back to grass and weeds. I would suggest that the money that is now spent on unemployment relief might be better used in acquiring some of that land by the government, parcelling it out into small lots, five or ten acres, or even twenty-five acres, and taking the unemployed from our cities, towns and villages and putting them on that land; assist them by giving them expert direction, and help to build their own homes. Show them how to produce agricultural products by what might be called a forced system. If numbers of these people were given the opportunity to go on the land —and I know lots of them would be willing— they could produce on a five acre lot all the fruit and vegetables they require. They could also produce eggs and poultry, milk and butter,

sufficient fodder for the cow and grain for their fowl. Then they would have a stake in the country, would be more contented, and better citizens. It would provide a solution in a certain measure of the unemployed situation to-day.

I would also suggest that some of the large industrial plants move from the cities to country districts where they might be surrounded by land which could be parcelled out amongst the employees in a similar manner. The day is coming when fewer men will be employed in those industrial plants, the shorter working day and week are coming, so they are going to have more leisure time. It would be a good plan to give them a stake in the country, where they could use their leisure in doing something for themselves, improving their homes. It would keep them from burning up gas on the highways and getting into traffic jams, and I am quite satisfied that they would be happier, and better citizens, and would be less troublesome in times of distress. I simply offer this to the government as a suggestion in the hope that it may be looked into and if possible put into operation to a certain extent.

In the second or main section of the resolution is embodied the policy of the new political party. I will read it:

> That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

That, of course, is plainly a socialistic program. This new party, as stated by the hon. member for Winnipeg North Centre in his speech on February 1, has attracted to itself certain other groups and political parties in this country. Those affiliated are the United Farmers of the three prairie provinces and of the province of Ontario, but I note that the United Farmers joined with a reservation. They got into bed with the new party, but indicated that should the sleeping conditions prove not congenial they would leave at any time. They intimated that in affiliating with the new party they still maintained the right to follow their own policies as United Farmers. Speaking of the United Farmers of Ontario more particularly, I may say that they are a hardheaded business class and very shrewd politicians. They are not going into anything very definitely and securely until they know how it is going to turn out, and just so soon as they find out what this commonwealth actually means a great number of them will secede from it. Not only that, but even at the present time the leaders who have affiliated with the new party will not be able to carry with them anything like the body of United Farmers of Ontario. It is also stated that the labour unions from the Pacific coast to the border of Quebec have affiliated with this new organization. Well, the labour unions may have affiliated but there is a large class of labour in the dominion that does not belong to the union. I think the hon. member for Winnipeg North Centre made the statement, that they had affiliated.

Mr. WOODSWORTH: I think the hon. gentleman is in error; I said nothing about the labour unions.

Mr. ANDERSON (Halton): If the hon. gentleman says they have not, I will accept his word. But I find at page 1688 of Hansard he is reported as saying:

> Further than that, the political labour bodies in the provinces from British Columbia to Montreal have also voted to affiliate.

That gave me the impression that he meant the labour union, but apparently he meant something else. He also said that there were a large number of people in this country who had indicated their intention of uniting with the party, people from one end of the country to the other, and I have noticed in the newspapers that many people have so intimated. There was also another party, it appears, that endorsed the policy of the new party and which neither the hon. gentleman nor any member of his party mentioned, and that was a section of the United Church of Canada. The United Church in Toronto on December 7, 1932, in their report presented to the Presbytery of that city, moved this resolution which was passed:

> In view of the fact that our political leaders have not evolved any adequate system so far as the masses are concerned, but have directed their efforts toward protecting vested interests, rather than the common welfare, be it resolved that we adopt some such program as that of the C.C.F.

Some hon. MEMBERS: Hear, hear.

Mr. ANDERSON (Halton): Hon. gentlemen say "hear, hear," but large numbers of the United Church of Canada do not say "hear, hear."

Some hon. MEMBERS: Hear, hear.

Mr. ANDERSON (Halton): And the United Church itself does not say "hear, hear." Now, the acceptance of this policy as presented by hon. members across the aisle will simply mean that we shall need to get a new constitution for the dominion.

Some hon. MEMBERS: Hear, hear.

Mr. ANDERSON (Halton): I am glad they say "hear, hear" to-day, but the hon. member for Winnipeg North Centre did not say "hear, hear" when that was said on the first of this month by the Prime Minister. He did not believe then that it would be necessary to change the constitution of the country if the policy of the Cooperative Commonwealth Federation was to go into effect. The policy as enunciated is communist, pure and simple. I am quite sure that the hon. member for Winnipeg North Centre and the party behind him are sincere in what they say. They are in favour of socialism or communism, and the difference between these two systems was defined in the house by the hon. gentleman: communism is brought in by force and the other by constitutional means. I agree with the hon. gentleman in that statement; so far as I can make out from a study of the two systems, that is the difference. But can anyone supporting an effort towards socialism say that force will not eventuate? The hon. member for Winnipeg North Centre did not say that force could be prevented. At page 1689 of Hansard, in answer to a question that was asked at the time, as to whether force might be used, he said:

> It may very well be that force may prove inevitable, yes, if the attitude of certain gentlemen is persisted in and the people of this country are denied the right that they have to self-expression and to the enjoyment of a decent livelihood.

That is the statement of the hon. gentleman, that force will be used if it becomes inevitable. Now, that is a warning and also a threat.

Mr. SPENCER: Did he say who was going to use force?

Mr. ANDERSON (Halton): No, but who else except the socialist party? Does the hon. gentleman think that the rest of Canada will use force? The hon. member made this statement that I have quoted. This means that if the people of the dominion are docile enough to accept this policy meekly, if they do not resist, then we shall have socialism; but if the rest of us do resist, if the people object to it, we shall have force, because in any event this party intends to put its policy into effect and create a socialistic or communistic state in this country.

Mr. WOODSWORTH: The hon. gentleman is misstating entirely the position I took the other day.

[Mr. R. K. Anderson.]

Mr. McGIBBON: It is a fair deduction.

Mr. ANDERSON (Halton): I am basing my proposition upon the statement made by the hon. gentleman himself. That is the way it appeared to me and I am satisfied that is the way it will appear to many other people in Canada. If the hon. gentleman did not mean that, I am sorry that I misconstrued his remarks as I have no desire to do him wrong. It is the intention of this new party which had its birth in the closing months of 1932, to appeal to the electorate upon this policy. That is their whole policy because it has been stated in this house and it has not been enlarged upon. It is a policy fashioned after the Russian system, it is nothing less than that.

The hon. gentleman gravely asks this parliament to endorse this policy and put it into effect immediately. That is a most extraordinary proposition to make to any house. Such a proposition makes it impossible for any hon. member, no matter how favourable he may be towards that policy, to vote to put it into effect immediately. That would not be democratic. It is socialistic to ask that we go ahead without the endorsation and consent of the people of Canada. Such a course of action would wreck our constitution and destroy confederation.

The hon. gentlemen who are advocating this policy state that it is meant to displace capitalism. It might displace capitalism but it would destroy democracy. What is capitalism? It is simply a system by which we produce wealth for the production of further wealth. Capitalism as we know it to-day came into being during the last half of the nineteenth century, less than one hundred years ago. Since that time the world has made more progress than it had in the previous five thousand years. The success of capitalism has been phenomenal; the world jumped ahead immediately it came into effect and the progress of the world has been continuous ever since. As the hon. member for Wetaskiwin (Mr. Irvine) said, when this system was founded the world was suffering from a scarcity of everything except poverty, but in less than a century we had an overproduction and over-abundance of everything. In spite of this, capitalism is denounced as a failure. Before capitalism terrible famines took place all over the world. I can remember when the people of Ireland faced starvation because of the failure of the potato crop and I can remember when the people of India and China were starving by the millions because of the failure of their crops. What has been

the result of capitalism? Famine has been eliminated, so much so that the hon. member for Wetaskiwin says that the Cooperative Commonwealth Federation offers economic independence to everybody.

Mr. IRVINE: My statement was that economic security was offered to everyone.

Mr. ANDERSON (Halton): The hon. member is reported on page 1743 of Hansard of February 2, as saying;

> The Cooperative Commonwealth Federation guarantees to every Canadian economic independence.

If there has been a mistake made in Hansard the hon. gentleman should have had it corrected. He said also that there was in this country sufficient plant and equipment to guarantee at least an abundance of the necessaries to every Canadian. That would mean that the Canadian people would have economic independence and an abundance of necessaries free of cost. It is the intention of hon. gentlemen to destroy the price system and to destroy capitalism, consequently the necessaries of life, which include shelter, clothing, food and heat and light, will be given free to everybody. Was there ever a greater slogan for an election? Was there ever a greater attempt at wholesale bribery of the people? Such promises are over and above any ever made by the Liberal or Conservative parties, yet hon. gentlemen complain about the promises made by the political parties during election campaigns.

In the last twenty-five years—I make this statement subject to correction if any hon. member cares to correct me—the world made more advancement under capitalism than it had made in the previous two thousand years. Does any hon. member want to deny that statement? Since the war everything has been stimulated by capital. Laboratories were set up wherein scientists could work unhampered by the necessity of producing a living. Nature has been made to yield up her secrets and those secrets have been applied to such an extent that our civilization has been transformed. Yet, according to hon. gentlemen opposite, capitalism is a huge failure.

Capitalism brought in the machine age in which we are now. By means of the capital expended in the laboratories, in our industries and in all lines of personal endeavour, the machine has been developed to such an extent as to eliminate thousands of men from gainful labour. Far more men have been eliminated than is required to build the machine. This has all been brought about by capital. We are entering the electrical age, our machines are going to be run by electricity and more men will be eliminated from gainful occupations. These things are just signs of the times, they are progress and it is futile for anyone to think that he can stop the progress of the world. It will go ahead in spite of what any human being may do.

Mr. WOODSWORTH: What is happening to those men who have been eliminated?

Mr. ANDERSON (Halton): I am just going to take up that point. The hon. gentleman gave his own solution for this. I am not saying that there is nothing in socialism, I am simply saying that we are on the verge or are well advanced into a new era. The sun of that new era is well above the horizon and the signs of the time are everywhere for any man to read. We are not going back to the old system but also we do not need to go to socialism. We can carry on with the system we have, that is capitalism. The only thing that is wrong now is that capitalists did not realize that the advances have been so great that it is out of step with our social order. Capitalism got ahead of the social order which we have in the world to-day and we must bring the social order up in step with capitalism.

The machine age is only beginning. As I have said, we shall see further advances and progress in machinery until possibly some day every man will be able to have a servant of an electrical character. That is one of the possibilities of the future and we must prepare for it. But only a fanatic would attempt to disrupt the present order by trying to bring in a new order all at once. If there is to be a new order, it must come gradually and imperceptibly, a merging of the old into the new, so that when the old order passes out, the new order will be ready to take charge of the situation and carry on. I am not altogether advocating capitalism. I say that it has been a splendid thing for the world, but it has defects. It has had defects which have been remedied; the defects which it now has can be remedied, and by remedying those defects and carrying on with our present progress we shall eventually bring about a system under which the people of this world will be able to have a living without very much work. We shall be able to have abundance to eat and all the luxuries of life without having any socialistic state. Socialism was in existence long before capitalism. Socialism has been in existence pretty nearly as long as the world has. It is a failure in

Russia to-day, and it is a peculiar situation for some hon. members to be advocating socialism and communism when socialism and communism are at this very time failures in Russia. Russia started out without a price system. They were going to run a socialistic state there by making everybody engage in labour and by parcelling out to them what they needed in the way of food, clothing, shelter and so forth. But what is happening now? At the end of five years they are trying to bolster up their plan by bringing in capital. They are beginning to arrange for a capitalistic system in that country to bolster up a system of communism. They are asking the loan of capital from outside countries, even from Canada. Socialism has not been a success; it has been a failure, and all I have to say is that we should stay with the capitalistic system that we have, improve and perfect it, and it will bring us out of the depression in which we find ourselves just at present.

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, the motion that is before the house reads:

> Whereas under our present economic arrangement large numbers of our people are unemployed and without the means of earning a livelihood for themselves and their dependents;
>
> And whereas the prevalence of the present depression throughout the world indicates fundamental defects in the existing economic system;
>
> Therefore be it resolved, that, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

Since the beginning of this debate many quotations have been made by hon. members in the far corner to my left. In the speech of the hon. member for Winnipeg North Centre (Mr. Woodsworth) we find quotations from the English poet Blake, the Reverend John A. Ryan, D.D., Hjalmar Schact, ex-president of the German Reichsbank, Mr. P. W. Martin, the October letter of the Royal bank, and Goldsmith. The hon. member for Southeast Grey (Miss Macphail) has quoted Gustav Cassel, Mr. G. D. H. Cole, Stuart Chase, and an English girl, from an article in The Canadian Student. The hon. member for Macleod (Mr. Coote) has quoted Shakespeare, Sir William Beveridge, John Maynard Keynes, Sir Basil Blackett, Lloyd's Bank Monthly, Henry Ford and Walter Rathenan. The hon. member for Bow River (Mr. Garland) has quoted Lord Marley, Professor W. H. Wakenshaw, Sir Arthur Salter, a great scientist called John L. Hodgson, and Sir Basil Blackett. The hon. member for Vancouver South (Mr. MacInnis) has quoted Karl Marx and President Hoover.

I am not interested to-day, in any one of those people. The only quotations I shall make will be from the speech of the hon. member for Winnipeg North Centre, who is the mover of the resolution. I do not know what it exactly means because there are in it some words that may mean a great deal or nothing. I should like to know whether they mean a great deal or nothing and in order to procure that information I want to ask the hon. member fifty-five questions.

Mr. CHAPLIN: Put them on the order paper.

Mr. POULIOT: First of all, may I quote the speech of the hon. gentleman which is of much more interest than any quotation from Sir Basil Blackett, G. D. H. Cole or Walter Rathernan or Karl Marx. I am not interested in any of those. As I have already informed the house, I have not time to read any communistic books and I believe those who do so are wasting their time.

An hon. MEMBER: Treason.

Mr. POULIOT: I would not go so far as that, but they think a great deal of them because they do not always understand their full and real meaning, and those who write those books do not themselves often understand the first word of what they are writing.

First of all, the hon. member for Winnipeg North Centre spoke about a new and better social order. There is only one social order and it is order. When there is no social order, the situation is disorder. So if the hon. member proposes a new social order, conditions will remain the same; there will be no change. If it is something different, then it will be disorder. Is that not logical, Mr. Speaker? There has been confusion in the mind of the hon. gentleman between capitalism and ownership and the abuse of capitalism and capitalism itself. The two things are entirely different. One cannot condemn capitalism just because of the abuse of it. While the abuse is bad, that does not mean capitalism is also bad. I am not personally interested in capitalism in a practical way, but if I take the stand to-day, I do so on behalf of human liberty and freedom, and if the hon. member for Winnipeg North Centre thinks he is advocating liberty, he does not realize the results that will be brought about by his proposal. If his proposal were adopted in this country, there

would be no more human freedom and liberty; we would have human slavery, state slavery.

I quote from the speech of the mover of the resolution:

> Great economists have pointed out that our present economic system could not last very long, but must give place to a different one. In more recent days we have the technicians pointing out not only the feasibility of fundamental changes in our social order, but the absolute necessity of such changes if our civilization is to persist.

What are those changes? Those changes come from the platform of 1921 as quoted by the hon. gentleman, and it is most important that I should put them on record as a basis for my questions. The hon. gentleman said at page 1687 of Hansard:

> The Independent Labour party of Manitoba is formed for the purpose of giving political expression to the aspirations of all workers, regardless of industrial affiliation, who believe in the establishment of a cooperative commonwealth—

Mark this, Mr. Speaker:

> —with production for use and not for profit as its economic basis.

Quoting from the platform of the United Farmers of Alberta, the hon. gentleman continued:

> A community freed from the domination—

This is rather mixed up, but afterwards I shall detach some sentences in order to analyze them:

> A community freed from the domination of irresponsible financial and economic powers, in which all social means of production and distribution, including land,—

Mark you, it includes land:

> —are socially owned and controlled either by voluntarily organized groups of producers and consumers, or—in the case of the major public services and utilities and such productive and distributive enterprises as can be conducted most efficiently when owned in common—by public corporations responsible to the pepole's elected representatives.

There was another platform published by the Cooperative Commonwealth Federation, and here is the quotation from their platform as given by the hon. gentleman:

> A federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the basic principle regulating production, distribution and exchange will be the supply of human needs instead of the making of profits.

Just the same thing as in 1921. The reason I am suspicious about that platform, Mr. Speaker, is because of the following expressions which were used by the hon. gentleman in the course of his speech, and I would ask if these statements mean much for the social welfare of the country and the public good. Here is what he says:

> The object of the federation shall be to promote cooperation between the member organizations and to correlate their political activities.

That is why I am against it. We cannot play any game for political purposes with the welfare of this country. To-day we have a most serious problem to consider, and while I give full credit to the hon. gentleman for the sincerity of his view, still as a Canadian citizen I believe that order must be maintained at any cost, and that if anyone is found guilty of a breach of order he must be punished. The whole community should not suffer for the excesses of the few.

Here are my questions, Mr. Speaker, and before each series of questions I give first of all an excerpt from the passages which I have just quoted from the hon. gentleman's speech, and then state the consequence. The questions follow:

> "All social means of production and distribution (including land) (should first be) freed from the domination of irresponsible financial and economic power."

First consequence:

> There would be no more municipal and other taxes on land; municipal councils and school boards would be abolished.

Questions:

1. Would the municipal councils and school boards be replaced by other public bodies?
2. If so, how?

Second consequence:

> All mortgages on lands and buildings would be wiped out.

Questions:

1. What is the total amount and number of mortgages in each province?
2. How many are held by widows, orphans and different people who have no other means of living than the revenue therefrom?
3. Would the cooperative commonwealth pay the mortgagees in full?
4. If so, how?
5. If not, what proportion, if any, would be paid to widows, orphans and people who have no other means of living than the revenue therefrom?
6. What would happen in the case of mortgage transfers for value received?

That is only to give the house a sweet mouth before I put my other questions, as follows, giving first a quotation from the hon. gentleman's speech:

> "All social means of production and distribution (including land) (should be) socially owned and controlled by voluntarily organized groups of producers and consumers."

Questions:

1. What is the definition of the words (a) "socially owned" and (b) "socially controlled"?
2. What would be the function of the dominion parliament and provincial legislatures in a cooperative commonwealth?

3. By what process would privately owned lands be turned into societies or become socially owned and controlled property?
4. How would such groups of producers and consumers be voluntarily organized?
5. Would such groups be amenable to the laws?
6. Would the cooperative commonwealth compensate private individuals or corporations who presently own land and property, for their loss, and if so, to what extent?
7. How many people in each province would be affected by their private property becoming "socially owned and controlled"?
8. Would such change in land ownership take place in urban as well as rural centres?
9. What are the social means of production and distribution (excluding land) which should be socially owned and controlled?
10. Would movable as well as immovable property be socially owned and controlled?
11. How and by whom would socially owned and controlled means of production and distribution (including land) be managed?
12. How, by whom and for how long would each of the above mentioned managers be appointed?
13. Who would decide the kind, area and location of the land or property to be assigned by society to each individual?

Mr. GOTT: Would the hon. member permit me to inform him that his questions are so hot that the hon. member for Winnipeg North Centre has left the chamber.

Mr. HEAPS: In deference to the hon. gentleman who has left the chamber, I think my hon. friend from South Essex (Mr. Gott) ought to have first found out why he left it.

Mr. POULIOT: I do not discuss that viewpoint. I simply wish to put my questions on record in Hansard in order that everyone may take cognizance of them. My next question follows, giving first the question:

"Major services and utilities and such productive and distributive enterprises as can be conducted most efficiently when owned in common (should be owned—and controlled?) by public corporations responsible to the people's elected representatives."

Questions:
1. What major public services and utilities could be conducted most efficiently when owned in common?
2. Would socially owned and controlled social means of production and distribution (including land), and mentioned in the first place, be owned in common?
3. If so, what would be the difference in ownership between (a) the aforesaid socially owned and controlled social means of production and distribution (including land), and (b) such productive and distributive enterprises as could be conducted most efficiently when owned in common?
4. Would the voluntarily organized groups of producers and consumers aforesaid mentioned be (a) public corporations and (b) responsible to the people's elected representatives?
5. If so, what would be the difference between "socially owned" and "owned in common"; and "socially controlled" and "controlled by public corporations"?

[Mr. Pouliot.]

6. How many groups of producers and consumers would be organized voluntarily in each province and for what purposes?
7. How many public corporations would own and control such productive and distributive enterprises in each province, as could be conducted most efficiently when owned in common, and how and for what purposes would each of such public corporations be organized?

Next I ask this, with "the establishment of a cooperative commonwealth, with production for use and not for profit as its economic basis," or with "a federation of organizations whose purpose is the establishment in Canada of a cooperative commonwealth in which the basic principle regulating production, distribution and exchange will be the supply of human needs instead of the making of profits," what would happen? I cannot tell the house, but I am sure the hon. member for Winnipeg North Centre, when he speaks again, will give answers to the following questions:

1. Would the whole retail and wholesale trade be "socially owned" or "owned in common," and "socially controlled" or "controlled by public corporations"?
2. In the latter case, would such "public corporations" be "freed from the domination of irresponsible financial and economic power"?
3. By what process and how would all the stores and trades now privately owned be turned into the cooperative commonwealth?
4. Would the cooperative commonwealth compensate the private individuals and corporations who presently own stores or trades, for their loss, and if so, to what extent and how?
5. Would all natural products be turned from "voluntarily organized groups of producers" to "voluntarily organized groups of consumers," without any profit to the producers?
6. What, if anything, would the groups of consumers give to the groups of producers in exchange for their means of production and how would it be done?
7. How would the social means of production be distributed by the consumers groups to private individuals?
8. What would be allowed to private individuals forming the groups of producers for their work and how and by what means would it be done?
9. Who would enact the regulations relating to production and distribution of primary products and what should they be?
10. Would the production of primary products be based upon the annual consumption in order to be distributed only to the consumers in this country?
11. If so, would such policy prevent any exports of home products?
12. Without any exports, would it be possible for the cooperative commonwealth to trade with foreign or other countries who have not adopted the cooperative commonwealth system; in other words, would it not mean the end of all foreign trade?
13. What industries would be "socially owned and controlled," on one hand, and on the other hand "owned in common by public corporations responsible to the people's elected representatives"?
14. Would the system for the distribution of primary products be the same for manufactured products?

15. Would all private and public industries be turned over to the cooperative commonwealth?

16. Would the cooperative commonwealth compensate the owners of private or public industries for their loss and if so, to what extent and how?

17. Would it not be the policy of the cooperative commonwealth to abolish and repudiate all federal, provincial, municipal and other public and private debts and obligations?

18. Would the cooperative commonwealth supply free shelter, food, clothing and medical attendance to every man, woman and child in this country?

19. What would be the reciprocal obligations of every man, woman, and child to the cooperative commonwealth and vice versa?

20. What would be the kind and the length of work to be done each day by each private individual?

21. Who would assign same to each one?

22. What would happen: (a) to the amounts of money deposited in chartered banks by private individuals; and (b) to life insurance held by them?

23. If "the supply of human needs" instead of the making of profits were the basic principle regulating production, distribution and exchange, would there be any necessity for any kind of currency?

24. If so, what would be the standard of such policy or means of exchange?

25. Would there be any kind of private ownership in the cooperative commonwealth?

26. If so, what would it be?

27. Would the cooperative commonwealth demolish all churches, as has been done in Russia?

Mr. G. D. STANLEY (East Calgary): Mr. Speaker, I should like to congratulate the hon. member for Témiscouata (Mr. Pouliot) upon the list of very practical questions he has submitted to the leader of the Cooperative Commonwealth Federation. That body found its birth in the city I have the honour to represent in this house. It is fitting therefore that I should have something to say in the debate on this resolution. Our city is one of many parts. In August last this foundling, as we may call it, was left on our door step and, I must admit, was taken into our city and tendered hospitality and more or less kindly treatment. It grew—there is no question about that—until it would seem that it almost assumed that the rest of the community had very little business in the city, and consequently must be crowded out. However on the nineteenth day of last month the members of the household instructed the new foundling that it was no longer welcome, and by a majority of about 2,600 votes it was told to transport itself to some other parts. I may add that that city, in earlier days, was the place where the convention was held at which the torch was lighted which started the 1919 troubles in western Canada. At that time we were broadminded enough to allow those gentlemen to come and talk in revolutionary terms. Despite these facts there has never been any wavering on the part of the citizens of Calgary in respect to their established principles. Over thirty-five years ago a young man came to that city, and was taken in as one of its sons. He was trained and educated in business, finance, politics and economics, and as a result we have the honour of having presented a Prime Minister to the Dominion of Canada.

The federation involved in the resolution before us, according to its own literature, embraces labour, farmers, and socialists—rather paradoxical bed fellows. As the hon. member for Weyburn (Mr. Young) pointed out last fall, there would seem to be difficulty in labour and farmers associating themselves in that intimate manner necessary to effect the socialism which is the basic principle of the federation. I am not going into a full discussion of that question. But class is the root principle of this federation. Its very existence depends upon class. As the hon. member for Weyburn (Mr. Young) pointed out, comparing the wages of the farmer to-day with 1913 and comparing the wages of labour now with 1913, they stand as four is to one. The farmer wants manufactured products at less cost; labour claims, and rightly, that it should receive its just wages. Well we have the two extreme lines of thought being brought together by the master minds of this organization, and then all associating itself with socialism. I have here a copy of the pamphlet which sets out the socialist platform. The first clause says:

> The irrepressible conflict of interest between the capitalist and the worker necessarily expresses itself as a struggle for political supremacy. This is class struggle.

Those are the specific terms of the first clause; "this is class struggle." That, as I said before, is the very essence of the Cooperative Commonwealth Federation, it depends for its very life upon the class struggle. Now it assumes, and so does the Cooperative Commonwealth Federation assume, that there are only two classes in this country, the wealthy capitalist and the poor worker. That assumption is altogether erroneous. There are all the rest of us who have some place in this country, who do not belong either with the wealthy capitalist or the poor wage earner. We have our homes, we have our little properties. The hon. member for Ontario (Mr. Moore), made this statement in a public address not long ago, that the farms, the urban real estate, the household

effects and the automobiles of the people of this country represent an aggregate of 59·3 per cent of the total wealth of Canada. If that statement is correct, it shows that a very substantial part of the wealth of Canada is in the hands of the bourgeois, the small capitalist, of whom the farmer in this country is one of the outstanding examples, the great middle class, the average citizen. After all is said and done, "the average citizen," is the law-abiding citizen, the citizen who does not get out and make a big noise on the public platform, is not out agitating or creating a struggle between class and class, is carrying on the industry of this country, and he is not included under socialism.

I think it is not unfair to the other members of the group of socialists to say that the hon. member for Winnipeg North Centre (Mr. Woodsworth) is the moving spirit of the Cooperative Commonwealth Federation. He is the leader, he is the man who is directing public thought to a very considerable extent to the principles they enunciate. I am not depreciating his associates, but I think they would be the first to admit that he is the master-mind if you like, the man whom the general public recognize as such. May I say that he is also the moving spirit in regard to socialism, and has been for a number of years. He is looked upon in this country as the outstanding exponent of the principles of socialism. So you have them combined, the Cooperative Commonwealth Federation is socialism, and the Cooperative Commonwealth Federation must accept responsibility for what socialism offers to this country.

How has that been expressed? The hon. member for Winnipeg North Centre has certainly given expression to it through this Cooperative Commonwealth Federation. In 1919 it was expressed in western Canada through the One Big Union. It was expressed in the city of Winnipeg in no uncertain terms. It is not necessary for me to go into details of what took place in those days, but socialism as the people of Canada understood it in 1919 gave itself very tangible expression; and the people of western Canada, indeed, I think the people of all Canada, know exactly how the moving spirit in those days expressed it in Winnipeg and in western Canada. Well we have this expression to-day. In 1919 the farmer was not appealed to; there were other fish to fry. The farmer in those days was getting probably $1.50 to $2 a bushel for his wheat, he was then a capitalist. But in these days when he is faced with economic difficulty, he has to accept 20 or 25 cents a bushel for wheat at his own station, the situation is different and the appeal of socialism is being made to western farmers who are now in economic distress. I do not think it is going too far to say that we must judge the performances of socialism in the future by what it has done in the past. We must judge the actions of the leading spirit of that socialism in the future by what he has encouraged people to do in the past.

What are the objects of this Cooperative Commonwealth Federation? We are told it is to introduce a revolution in this country. It insists it is a mental revolution or a bloodless revolution, but it is revolution; it is a turning upside down of the economic and social structure of our country. Or to put it in the words of the hon. member for Winnipeg North Centre himself:

> The ultimate object of the party is the collective ownership and democratic operation of the means of wealth production. This involves a complete revolution in our whole economic and social structure.

—a revolution to introduce collective ownership, or as Zinoviev, the leading socialist in Russia calls it, "the industrial commonwealth." He insists that the only means whereby an industrial commonwealth can be introduced into this country is by a proletarian dictatorship.

Mr. WOODSWORTH: The hon. gentleman has said that he wishes to be fair. He will make it clear that what Zinoviev says is not what I say.

Mr. STANLEY: I think that anyone in this house has ears to hear, and by no twist of one's imagination can it be suggested that I have put into the mouth of my hon. friend from Winnipeg North Centre anything that Zinoviev has said. Now, as the hon. member for Témiscouata (Mr. Pouliot) so well pointed out, in order to accomplish the purposes of this organization property must go into the possession of a proletarian dictatorship, if you want to put it in the words of Zinoviev, or there must be collective ownership, if you want to put it in the words of the hon. member for Winnipeg North Centre. Property must be possessed; the land must go. But remember this. The agency through which this socialism is being expressed on this occasion is principally our U.F.A. friends in this country. Oh, that is a different consideration. Therefore they say: "When we get out a platform, we must bear in mind the fact that a great number of the farmers are to be appealed to, and we have collective ownership advocated." Oh yes; but they note in brackets down below that "use-land" will be exempt. All other lands are included in

the collective ownership except "use-land"; and as to the interpretation of "use-land," who is going to determine what comprises such land? That interpretation is left for someone to determine later but in the meantime what is required is the support of the farmers. Their political support is needed, their votes are needed, and in the meantime, to carry out in its entirety the collective ownership of the socialist party, they can afford to exempt such land. For the time being at least use-land will be exempted. That is the sop that is being given to our farmers.

How is this revolution to be accomplished? Ah! that is the rub, politically speaking. How is it to be accomplished, I ask? Well, by the Cooperative Commonwealth Federation. And that will express itself for the time being as "all things to all men." We have various degrees of socialism running up and down the colour line. I belong to the medical profession, as most hon. gentlemen know, and in the laboratory we have what we call the Fehling's test. We have a glass of blue solution for testing for sugar. If you have the least little tinge of sugar you will get just a little tinge at the bottom, a tint of pink, and as the sugar is increased it goes on up the line until, when you have a considerable quantity of sugar, you get a scarlet red. I do not know how better you can express the degrees of socialism. You can take it from a faint tinge of pink at the bottom to the flaring red scarlet at the top.

Now, how is socialism expressing itself? Well. we have various brands or degrees of socialism. First we have that highly cultured university socialism called the League of Social Reconstruction, represented by some of the eminent university professors—Professor Gordon, Professor Alexander and other such gentlemen. That is the class of people that belong to that grade of socialism. Then we have what is called in the various countries of Europe "tamed" socialism. To that class I think belong our friends of the U.F.A. and other Progressive members. Then we have the socialism that belongs to political labour. An hon. member has pointed out the difference between labour unions, trade unions and the political labour party. We have those also, and we have the socialism which found its expression through the Rev. Mr. Ivens in the O.B.U. back in 1919, or through Bob Russell, in such organizations as the I.W.W. Then we have the bolshevik socialism, and again the all-inclusive, all-embracing socialism which is so well represented by the hon. member for Winnipeg North Centre, which takes in all. How does he express himself to-day?—You find him in this position. First he is the honorary president of the League of Social Reconstruction, and he is the leader of the Cooperative Commonwealth Federation; he is also a member of the house here, representing political labour. He was one of the outstanding leaders in the O.B.U. activities.

Mr. WOODSWORTH: Mr. Speaker—

Mr. STANLEY: Allow me to finish my statement.

Mr. SPEAKER: The hon. member rises to a point of order and he has a right to state it.

Mr. WOODSWORTH: The point of order is that the statement just made by the hon member is absolutely untrue and I ask that it be withdrawn.

An hon. MEMBER: He has not finished the statement.

Mr. WOODSWORTH: I ask that it be withdrawn. I was not among the leaders of the O.B.U., never belonged to it, and was not one of its leaders. I ask that the statement be withdrawn.

Mr. STANLEY: I made no such statement as that the hon. member was a member of the O.B.U. I said he was one of the leaders in the O.B.U. activities.

Mr. WOODSWORTH: I was not one of the leaders in those activities and I ask that the statement be withdrawn.

Mr. SPEAKER: The hon. member for Winnipeg North Centre will have an opportunity to reply to statements such as that when he comes to make his reply in this debate.

Mr. WOODSWORTH: I deny the statement just made and I ask that it be withdrawn.

Mr. SPEAKER: The hon. member can state the truth as he sees it when he comes to reply.

Mr. WOODSWORTH: I ask that it be withdrawn.

Mr. STANLEY: May I say this then. When the O.B.U. were in the height of their activities, when all the turmoil and troubles were going on in Winnipeg and in western Canada, headed by the O.B.U., my hon. friend from Winnipeg North Centre was one of the outstanding public men defending those who were in the activities of those times. Now, I think I am perfectly fair in saying that the all-embracing socialism of to-day comes under the leadership of my hon. friend. Let us go on. Let us put in front of us again the colorimeter, the name we give to the instru-

ment which determines the various colours in the test of which I spoke. The degrees and grades of socialism as expressed by the apostles of socialism in years gone by and in more modern times, are these. First we have these university professors to whom I have referred. Of course, they have dignified ideas of socialism. They say that this collective ownership, this industrial commonwealth will be introduced by a process of education and intelligent voting—I would say that is the pink variety of socialism. Passing on, we find that another member of the group opposite said recently that "revolution is not only utterly unnecessary, it is utterly ridiculous"—I would call that the tamed-down red variety of socialism. Another hon. member of the same group advocates a bloodless revolution—that would be the bloodless red variety. Another hon. member stated in the house that you can plan only when you have control of the economic situation, and that they proposed to take that control—I would call that the all-controlling red variety. Then in the city of Calgary, according to the report of the Herald, the hon. member himself said: "Why not buy out an industry for, say, a hundred thousand dollars and then tax it all back"—that would be the super-tax variety of socialism. Then we have the Reverend Mr. Ivens, one of the outstanding apostles of socialism, making the statement in Winnipeg that "all you have to do is to walk into an industry, tell the owner you are going to take it over and it is done"—that is the genuine red variety. Then the British Columbia Federationist, the socialistic organ, made the statement that "it is impossible to demand too much because nothing short of the whole shooting-match is of any use." I would call that the scarlet red variety. The Western Labour News of which Mr. Ivens was once editor, followed by the hon. member for Winnipeg North Centre, states that "one big union is greater than one big army and more effective than one big government; one big union has but to name a day, an hour, a minute, and behold, as the smallest unit of time is reached, a whole nation is paralyzed." I would call that the fiery red variety, it is the real stuff. Mr. E. T. Kingsley of Vancouver, president of the British Columbia Federated Labour party told an audience in Calgary, my own city, that "we all ought to be in one big union and its purpose should be the mastery of the earth and everything upon it." That is what I call the ultra-violet red variety or the ultra-violent red variety.

All down the colour scale an attempt is being made to appeal to the electors of this country. They say that they must control political power, they can start at the pink and go right up to the scarlet red and get them all, up and down the line. We see the appeal to socialism which can be made to the electors of this country. But what was the attitude of the trade unions when they considered this matter? At the thirty-sixth annual convention held at Hamilton after a discussion of the disturbances which had been stirred up in 1919 by socialism, the executive council had this to say:

> The futility of the one big union method should have been apparent from the beginning, founded as it was on force and intolerance of the chosen leaders of the labour movement, repudiating the organization from which they drew their financial and numerical strength, preaching class hatred throughout the country, and gambling their whole future on the success of sympathetic and national strikes. . . .

That is not an expression by over-wealthy capitalists; it is the expression of a labour group at their annual convention. The president, Mr. Tom Moore, cautioned the people by saying that there were the labour trades unions, and the political labour party; "that the political labour party was in no way representative of organized labour in Canada." That is a point which should be emphasized to the people of this country, that the expression of socialism by the so-called political labour party is not the expression of a large portion of labour in this country.

As the president and the executive of the labour unions pointed out, in 1919 there were two classes of labour, those who were organized to look after the interests of labour, to use every means to maintain the standard of living, to use the strike legitimately if it were necessary, law-abiding citizens who believed in the institutions of this country and the constitution of the land; and another group which had received so much support from the hon. member for Winnipeg North Centre, a group which caused disturbances and violated the law as we understand it, which created dissension and class hatred and stirred up unfruitful sentiments in the minds of those who were facing economic distress at the time.

How much force will be required to create this collective ownership, to bring about this industrial commonwealth? The hon. member for Temiscouata has asked a number of questions and I think the answers to those questions will give us our answer. What control of property is to be taken? What property is the commonwealth to acquire? Is it to acquire all property with the exception of this "use land" which is excluded or exempted for the time being? If it is to

possess property, how is that to be done? When is it to be done? Are the owners of property to be dispossessed? If so, how and when? Are the lands to be expropriated from ownership or is their property to be confiscated holus bolus? I suppose all this will depend upon the colorimeter. If such a thing were to happen as my hon. friend being asked to form a government in this country, I suppose the colours would have to be inspected in order to find out how far up the scale he would be able to go.

I do not know of any hon. member who talks about force so frequently and disclaims force so vigorously as does the hon. member for Winnipeg North Centre. He was the first to introduce this question and I think I am correct in stating that he has talked more about it than all the rest of the members put together. Let me quote a few of his expressions. Speaking about the creating of this industrial commonwealth or collective ownership, he is reported as having said at Port Arthur:

"Can this thing be brought about?" He asked in conclusion. He answered it by saying that it had been done in Russia, but with loss of millions of lives and untold suffering. He hoped that would not be necessary in Canada.

If the cardinal principle of socialism is to be accepted, collective ownership has got to come. He hopes it can be done "without the loss of millions of lives and untold suffering." At Calgary, just a day or two before we left, the hon. member spoke there and, according to the report, he said:

Violence may come. I am warning my people, again and again I have begged for action to prevent violent methods being used. My earnest desire is not to have that happen which happened in Russia which involved a great loss of life and suffering.

That came from my own city of Calgary and I want to give that for the benefit of my fellow-citizens. According to his dictum, violence may come, but he hopes the change can be brought about without a great loss of life and suffering.

In the House of Commons last year, as reported on page 2808 of Hansard, he said:

There is something to be said with regard to those who are trying to bring in reforms by means of force.

Then he goes on to elaborate.

Mr. WOODSWORTH: Would the hon. member conclude that passage. He is taking a detached sentence.

Mr. STANLEY: The hon. gentleman will have an opportunity to give the whole thing. The words as quoted are absolutely correct.

At Saskatoon, on his way through, he delivered an address to the farmers there and this is a stenographic report. He said:

Now, how are we going to attain that power? I think that is a practical question. There are a few people in our labour movement, as well as in the farm movement, who say that the only possible thing for us to-day is to win that power by force, to resort to force of arms, or violence or something of that kind. Of course, since the Dominion government has been taking such an active part in suppressing the advocates of open force we have not heard quite so much of that openly expressed. At the same time there are those who quite conscientiously and firmly believe that is the only way in which we can obtain our ends. I am not so shocked as some people are at that because if it is right to obtain victory of one nation over another nation by means of force, it is right to obtain victory of one class over another class by means of force.

Mr. WOODSWORTH: Will the hon. gentleman conclude the statement?

Mr. STANLEY: I have only a few minutes.

Mr. WOODSWORTH: Will the hon. gentleman finish the statement?

Mr. STANLEY: Yes, I shall finish it.

Mr. SPEAKER: When an hon. member is speaking, no other member has a right to interrupt him except on a point of order.

Mr. STANLEY: I have only a few minutes left. The hon. gentleman, according to the report of Mr. Sandwell of Toronto Saturday Night, repeated practically the same thing and Mr. Sandwell gave him the honour of an editorial in regard to it.

Mr. WOODSWORTH: I rise to a point of order. The statement as made by Mr. Sandwell was a detached sentence which had been definitely repudiated by the president of the association before which I spoke.

Mr. SPEAKER: That is not a point of order.

Mr. STANLEY: These poor press reporters who become deaf just at convenient moments are not the kind that I meet. Those whom I meet generally get what is said. But may I say this, that if it is right, as the statement of the hon. gentleman claims, for one nation and so forth to use force, it is quite true the nations are using force or they are prepared for doing so. Then as long as that is considered right, the hon. gentleman says it is right for one class to use force against another class. But the hon. gentleman says it is not right for individuals to do that. Of course it is not. The logical conclusion is that the right thing for an individual to do, if he wants to use force, is to get into a class, and when

that class is built up so strong that it can overcome all other classes, then he has at his feet "the world and all that is on it." That is the situation.

May I quote just one statement which the hon. gentleman made at Moose Jaw away back in the time of the troubles of those days. He said:

> The federal authorities control the military and the courts, and labour is not going to get what it wants until it in some way gets control of the military and the courts.

In this house in my hearing the hon. member said "that the military were here not for the repelling of some foreign enemy but to shoot down our Canadian citizens."

So I could go on quoting from some of the other trusted associates in socialism during the troubles of years gone by. This is what Kingsley said in his Vancouver speech:

> "I stand for one big union—for the specific purpose of conquering the reins of power by peaceful means if possible; and if not, by some other means."

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, if some of us have seemed to others to be somewhat reluctant to take part in this debate, this has been for the very good reason that we were hoping to the very last minute that some hon. member of this new-old cult would tell us exactly what this motion of the hon. member (Mr. Woodsworth) means. I may say that I have not so far been able to fathom it. Nobody has yet supplied the key. Being in that position, I am obliged to go outside this house to find what the Cooperative Commonwealth Federation are saying there so that then we may be able to understand what the motion really means. I know what it means, but it is not stated in the motion.

Mr. SPENCER: May I remind the hon. gentleman that I put it on record the other day?

Mr. MOTHERWELL: I did not catch that. Will the hon. member excuse me because I need the whole forty minutes to say what I want to say. If my hon. friend will speak a little louder I shall be glad to answer.

One thing we can understand is the somewhat comprehensive and, I might say, the presumptive name they have appropriated to themselves—Cooperative Commonwealth Federation. I do not think any party in the house has a right to monopolize all those names. Another thing I can understand is that this new party, so called, wants the government, the opposition and all the rest of us to set them up. Those are the words



of the motion. Well, they may be set up later on, but not in the way they expect. But they want to be set up. The motion calls for the setting up of a cooperative commonwealth. I do not know whether the Minister of Justice (Mr. Guthrie) wants to be a party to setting up our hon. friends to my left. None of the speakers who have shown their attitude in this regard has given any indication of that, but in any case I wish to inform the house that whatever the government may do, I am not going to be a party to setting up the Cooperative Commonwealth Federation.

We have had these new parties for many years, and I am not going to say for how long back. I shall not say that they have all been in vain or that some of them have not at some time served a useful purpose. But we do not need to try a new experiment to find out what they are likely to be because right in this country, as well as in others, we have a history of them dating back for a considerable number of years. The first demonstration of vocational government was in the province of Ontario when the Drury government came into power. What marvellous things were expected of him when he was taken from the plough tail and put into the premier's chair in the biggest province of this dominion! But lo and behold, one of his ministers found himself in the penitentiary before two years had gone by. Is that the new social order that we are to follow? Is that the new day that is about to dawn upon us? May we expect hon. gentlemen to the left to follow such an example of the new cult that I have just mentioned?

But let us go out to the west, and take a look at Alberta and Manitoba. They have two farmer governments there, and as a whole they are fairly good governments. They did not undertake to perform any miracles. But both of them are giving reasonably fair government. The one in Manitoba, however, before going to the country last summer, thought it advisable to ask for the cooperation of all parties in the house. Two of them declined, but the Liberals accepted, and consequently we have in Manitoba to-day a coalition government composed of two parties, the Progressives and the Liberals. In my estimation they never should have been separated in the first instance. But they came together again in that way, and I rather approved of it myself, notwithstanding that I do not like coalition governments as a rule.

In Saskatchewan we have a Conservative cooperative government. There are eleven nondescripts there calling themselves by any name that is convenient for the occasion who

hold the balance of power. In this House of Commons at Ottawa, in the corner to my left, any two of those gentlemen held the balance of power for ten months 1925-26. What a wonderful sensation it must be to hold this entire House of Commons in the hollow of two hon. gentlemen's hands! It is the most vicious form of government that could be conceived of.

Mr. CHAPLIN: Then why did you permit it to go on?

Mr. MOTHERWELL: I am getting along fine thank you. I anticipate that that is what our friends to the left are again aiming at now. They certainly do not expect to be called upon to form a government, for otherwise they would have never made themselves responsible for such extraordinary things as they are saying and promising outside of this house.

If time would permit, we might go to the Antipodes for further examples. But there is nothing to indicate that either Australia or New Zealand has benefited sufficiently by a Labour government to write home about it.

I come to my last illustration, in the homeland. There we had probably the best Labour government that has ever been formed in any part of the British commonwealth. I am a great admirer of Mr. Ramsay MacDonald, the present Prime Minister of Great Britain, but when the Labour government of Great Britain came up against a real crisis about two years ago, and they found that their trade union bronchos would not follow them in the great reforms which they felt it necessary to make to meet the economic crisis, Mr. MacDonald was obliged to turn to the two old parties and form a national government to meet the situation at that time, and that was the end of the Labour government there.

Now what is the use of us trying another such experiment in this country with all this experience within our ken, right under our eyes, within our own time? It is quite true that our friends to the left have assumed a new name, but a new name does not mean very much. A new name without a change for the better does not mean anything at all to me. To me our friends to the left still remain the same old sixpence, notwithstanding their new and cumbersome name.

Just a word about that name—the Co-operative Commonwealth Federation. I venture to say, Mr. Speaker, that the Saskatchewan leaders of the farmer-labour party have done more harm in pulling down cooperative enterprises within the last three or four years than the whole gang of them have done in their lifetime in building it up. The United Farmers of Canada—the Saskatchewan section—brought Sapiro to Canada, I think it was in 1923, and he went around that province in a sort of cyclonic crusade on behalf of the pool method of selling wheat. While prices were going up that method proved to be fine. I think it was the most magnificent wheat cooperative superstructure that I have known anywhere. But in Saskatchewan this movement was built on a comparatively unknown foundation, and that was not sound. The foundations were not strong enough to uphold the wonderful superstructure; that is, the success of the pool method of giving an advance payment followed at intervals by two or three other payments depended largely on keeping the advance payment safely low. While this was being done, another great institution called the Saskatchewan Cooperative Elevator Company was carrying on successfully. It had been organized in 1911, and was financed eighty-five per cent by the government of the day in the province of Saskatchewan, and they also had a line of credit guaranteed to the extent of sixty per cent. Never a dollar was lost to the treasury of Saskatchewan as a result of that great enterprise. It was absorbed by the new pool overnight, quite constitutionally, it is admitted, but nevertheless terribly ruthlessly. Now the pool, as you know, has met with a terrible financial disaster. You may ask me, how do I know but what the same fate would have overtaken the old Saskatchewan Cooperative Elevator Company if it had not been absorbed? My answer is that the United Grain Growers, another cooperative enterprise in Saskatchewan, Manitoba and Alberta, operating outside of the pool, has weathered the present economic storm and is in good shape financially. Consequently I come to the conclusion that if things had been left as they were for a while in Saskatchewan, the Saskatchewan Cooperative would have weathered the financial storm also. But this pool method of salesmanship was adopted because of the desire to jump away ahead of their time, not being content to grow gradually by natural evolution, as all reforms should be brought about. They did not even take advantage of the provision in the old Saskatchewan Cooperative Elevator Act which provided for patronage dividends. No, they must have something new and different entirely—scrap the old and start anew. Destruction almost followed due to over advance payments and rapid drop in wheat prices. There is only one way to rebuild this once great wheat pool, and that is by keeping it entirely outside of politics,

but I am afraid that the U.F.C. is dragging the pool down again by that dangerous avenue. So much for the Cooperative Commonwealth Federation's claim for the name "cooperation" along commercial lines.

What kind of cooperation did we get politically from this body of hon. and enterprising gentlemen? It is not so very long ago, in 1926, as many hon. members will recall, that one old political party one dark midnight had its throat cut like this, from ear to ear by these hon. gentlemen, and three days afterwards the other old party had its throat cut like that, and both were left gurgling in their own gore. That is a kind of political cooperation which its victims do not appreciate very much.

We had further evidence of the sort of political cooperation they give when the Great Britain-Canada Trade Agreement bill was before the house. Our friends to the left made a number of hearty and valiant speeches against it on the first reading, but I have searched Hansard in vain for any evidence that a single member of the farmer wing of the party to my left voted against that bill on its first reading, although they spoke valiantly against it. The hon. member for Bow River (Mr. Garland) in particular made a very excellent speech against the first reading of this bill. I always like to hear his speeches for, whatever may be amiss in them, they always make good reading and listening to. We do not always agree as to their substance, but on that occasion I agreed with the substance of his speech entirely. Then imagine my disappointment to find when the vote came and cooperation was urgently needed, his cooperation consisted of retirement behind the curtains or into the neighbouring lobby—and he an Irishman! Irishmen, as I know them, are always looking for a fight, but when the division bell rang, the zero hour was nigh and my halting friend was due to go over the top, he retired to the rear. I was disappointed—yes, very much disappointed indeed. Hon. members will see that that type of cooperation does not give this Cooperative Commonwealth Federation party the right to be called the Cooperative Commonwealth party of this dominion.

And now, a word or two about "federation". This name, apparently has been accepted because of a word dropped by the hon. member for Winnipeg North Centre. They have chosen to call it a federation rather than a party. The hon. member and his colleagues have never liked to be called a party because it seems they are reminded so they say, too much of the old parties, and characteristically they want all things new. So they call themselves a federation,—a federation of disjointed units which have very little, if anything, in common. If I had time I do not think I would have much difficulty in showing that. They are bound by what? By the desire that I suppose we all entertain to a greater or lesser degree, namely to make their calling and election sure. That is what it all means, when the mask is off.

I cannot be accused of liking over much the policies of my Conservative friends, but at the same time I should rather be with them than accept the present alternative. In the election of 1929 the people of Saskatchewan were stung by the Ku Klux Klan, the leader of which is now in jail at Edmonton. In 1930 we were stung again by the voluminous promises of the present Prime Minister of Canada. Now it would seem as if Canada was in danger of being stung a third time, in the same place. Surely not,—surely not. When the farmer-labour party's land and economic policy is understood, it will be deserted like rats from a sinking ship.

Then, about the word "commonwealth",—who has any monopoly on that word? What does it mean? Some years ago I heard Austen Chamberlain give a definition of it in the railway committee room. I notice the dictionary does not give the same meaning, but I recall he indicated that commonwealth meant common weal, and commonweal meant the weal of the common people. I think all parties in the house would claim they constituted a commonwealth, because we all contend, no matter how much we may be mistaken or whatever justification we may have for our contention, that we are representatives of the common people. So the house will realize that there is no reason why this long name should be grasped at and monopolized by our friends from the left. Of course, so long as we allow them to do so it is all right. I am reminded of another triple name which was generated just after the demise of the Union government. I believe it was my old friend Senator Calder who worked out the name of the National Liberal Conservative party.

Mr. CASGRAIN: "And" Conservative.

Mr. MOTHERWELL: Yes; probably it was the National "and" Liberal "and" Conservative party. I think that is right.

Mr. CASGRAIN: But it did not survive.

Mr. MOTHERWELL: Anyway the word "national" was intended to be attractive to all nationalists; then there was the old name

dating back to the time of Sir John A. Macdonald, and the time when an attempt was made to dish the Grits by misappropriating the Liberal name. I may add that that has not done the party opposite much good. It is out of place entirely. There is no similarity between the two old parties. So it would seem that the name now before us the Cooperative Commonwealth federation, is about as great a distortion and monstrosity as the one to which I have just referred.

Mr. McINTOSH: I think it is worse.

Mr. MOTHERWELL: I think if they had added the word "humbug" to these triplicates they would have been more easily recognized.

Although I am not in the habit of reading clippings from newspapers I feel on this occasion I must do so, as it is necessary for me to be candid. I believe when any man throws down a challenge, as the hon. member for Winnipeg North Centre has, those who do not agree with him should accept that challenge and deal with it accordingly. This is the time, and, in my estimation, the proper place to deal with it. As I read the article before me hon. members will realize the amount of provocation which has developed both in and out of the house. Listen to this: "The Liberal party was the Judas Iscariot of political life." Who will agree with that?

Mr. McINTOSH: Who is the Judas who said that?

Mr. CASGRAIN: Yes, who said that?

Mr. MOTHERWELL: Thanks—I had just forgotten to mention that. In the first place, this article is taken from the Western Producer of August 19, 1932, the official paper issued by the pool. Hon. members will realize the danger the pool is in when it is used by a political party to give voice to such diatribes as I have read. I shall read the head note of the article before me:

Williams and Coldwell on Farmer-Labour action at Saskatoon convention.

This refers to the time when the farmer-labour body came into existence at Saskatoon, and has reference to a speech by Mr. Williams, honorary president of the Saskatchewan section of the United Farmers of Canada, and who is now a candidate for the provincial legislature. He will run, no doubt, under whatever name they wish to call themselves when election time arrives. I shall read again this article which refers to the farmer-labour party of Saskatchewan, now affiliated with the Co-operative Commonwealth Federation. Hon. members will please note carefully that the Labour-Farmer party of Saskatchewan has been affiliated with the Cooperative Commonwealth Federation, that body which had its birth in Calgary last August. The article reads:

"The Liberal party was the Judas Iscariot of political life, promising much and giving little" but, said Mr. Williams, if he criticized the Conservatives less than the Liberals it was not that he had greater love for them but that he feared them less. "One does not beat a dead dog" he remarked, and added that the result of the Conservative policy on the prairies was too apparent to need comment.

Mr. Coldwell uses similar objectionable language and makes use of terms quite as irrelevant and untrue.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Well, I shall not say untrue, but shall maintain they were not justified. I am afraid hon. members have had the laugh on me this time, so I will correct the word "untrue" because it is unparliamentary, and because I wish to speak in as mild terms as I can, consistently with getting out the facts.

How can we remain silent longer? The gauntlet has been thrown down by the Co-operative Commonwealth Federation; the dogs of war have been let loose. We had hoped that this kind of internecine strife between Liberals and farmers might be averted in the future. In four out of the five federal elections in which I have taken part, I have had three-cornered fights, with a farmer as one of the candidates. I had hoped that at some time that condition might be changed. Year by year the farmer groups have been disappearing off the map, and I had hoped that if these unnatural divisions could not be averted in one way it might in another. But, lo and behold, in my maturer years this condition still confronts me, and I am not going to wait until it is too late to deal with the matter. I am not going to give Mr. Coldwell the publicity of Hansard by reading his comment. Some day out in the west I will discuss the matter with him. These gentlemen have not only been making statements but repeatedly have brought my name into their discussions in a quite unwarranted manner. So you see, Mr. Speaker, we have had lots of provocation outside if not inside this house.

Now we will come to some more of what these Cooperative Commonwealthers are saying outside. I am afraid I will have to advertise Mr. Coldwell a little after all. Here is a speech of his as reported on December

23 in the Regina Leader. Now we will get what they mean. Speaking of planned economy:

Such a plan would mean the scrapping of the system of private enterprise. We have got to plan and we must plan apart from the idea of ownership. Profits and ownership have to go.

Any of you who hope to make a little profit to help get out of the hole, I would advise you not to set up this commonwealth, because there is to be no more profit after this.

There is no way out until we have discarded these.

Profits and ownership.

It was now too late for palliatives such as unemployment insurance, he said, citing statistics that if production were now geared to the 1929 speed, 55 per cent of the unemployed would remain unemployed.

Mr. Coldwell declared that human beings must stifle the psychology of thrift—

I am afraid my good friend the hon. member for Southeast Grey (Miss Macphail) has probably been reading this, or Mr. Coldwell has been reading the speeches of the hon. member for Southeast Grey on that point. I thought thrift was just what we were lacking in. We are told that one of the causes of the depression is lack of thrift.

—a psychology that was a legacy of the past, of the age of scarcity when saving was a virtue.

Saving was only a virtue in the past, during the period of scarcity. Apparently it is thought to be a vice now. If it is not a virtue it must be a vice, or a negation of some kind. And he goes on:

We must have a mental revolution, he said, or we shall have a physical revolution.

Now what does all that mean? We are not only to scrap all the past back to the time of King John in the evolution of our parliamentary system, our constitution and our institutions generally, but we are to forget all about ownership, all about thrift, things that we used to be taught in our youth were virtues, and take on this new order, this nebulous thing that no one can catch hold of; all we know is that we are to discard the old and tried and grapple with something that is so visionary that no one seems to understand it so far as the motion before us goes. Talk about buying a pig in a poke! I do not know how you would describe this; you would be buying without seeing either the pig or the poke.

Now we will deal in a Toronto speech with another noted gentleman in the left-hand corner. I think this is taken from the Globe, a paper that has grown in some respects quite irresponsible I admit:

Garland states the Cooperative Commonwealth Federation platform. Standard of living for the working classes raised five hundred per cent, he says.

Toronto, Feb. 1.—Under the platform of the Cooperative Commonwealth Federation, the standard of living for the Canadian working classes will be raised five hundred per cent, E. J. Garland, M.P. for Bow River, Alta., declares.

Now there is something definite; that looks pretty good. It will need to come pretty near that in some cases to be what we would desire, but anyhow that is definite.

The banking system will be "socialized," he said,—

I wish someone would tell me the difference between socialization and nationalization.

—along with all health services, while every worker and farmer will have the opportunity to own his own home and private property for himself.

Behold the difference! Mr. Coldwell, who is a labour man, the hon. member for Bow River who is a farmer, or farmer-representative—one takes a diametrically opposite direction to the other, yet they both belong to the same party. How are you going to make a government out of such disjointed and dissimilar units?

Mr. GOTT: It will never be done.

Mr. MOTHERWELL: The hon. gentlemen on the treasury benches know by this time it is hard enough to form a government out of one party, without trying to merge twenty or thirty divergent units and call it cooperative. Listen to this:

And if it proves necessary for the state to take over industry the state will do it, and "not at the public expense, either," said Mr. Garland.

Now you capitalistic people over the way, watch out. The hon. member for Bow River is not going to pay for it out of the treasury; he is going to do what the hon. member for Winnipeg North Centre was going to do with the Beauharnois waters—seize them, take them. Well, as the Secretary of State (Mr. Cahan) well said, that would not be any different from any other form of burglary.

And if it proves necessary for the state to take over industry, the state will do it, "and not at the public expense, either," said Mr. Garland.

I wonder how? He left it to our imagination, just as the motion leaves it largely to

our imagination. But there is only one other way that I know of, and that is by expropriation, seizure—just take it.

This was the reply of the Cooperative Commonwealth Federation to those who said the movement had no platform, Mr. Garland declared.

In the past we've voted for our enemies, beneficiaries of the capitalist system. Now we can vote to kick them out. The powers that be are terrified. They are frightened out of their shirts. I wouldn't be surprised to receive, any day now, an invitation to form a national government.

I am sure if that idea ever dawns upon the government, that they want a national government—and that has been rumoured around—I can see from some signs that they will make a bee line for the party to the left. I think I am right in coming to that conclusion, because when they wanted to get the best man that could be found, so we are told, as vice-chairman of the tariff board—the government sought out Milton Campbell.

I have some more here. Here is the real Kildore, the real official platform of the farmer labour party of Saskatchewan. I am going to give it the publicity of Hansard. This is also the economic policy of the Saskatchewan Farmer Labour group, and that group is affiliated with the Cooperative Commonwealth Federation:

The supplying of human needs instead of the making of profits.

Now I think the time will come when man will entertain the idea of living for humanity and forgetting about himself, but that will be just preceding the millennial dawn, and we are a considerable distance from that yet. Some of our friends on the left may have attained to that high eminence, but I must admit I have not. And I do not think the majority of the people of Canada have. If we are to have representative government it must be a government that represents the conceptions of the people of to-day on public questions. This is quite beyond the average man to-day, and to that extent our friends on the left, I think, stand pretty nearly alone. I have met people, I could count them on the fingers of my two hands who have gone so far in helping humanitarian activities, churches and hospitals, that they hurt and forgot themselves, giving away what belonged to them and what a great many people thought they should have kept for themselves. But there are not many, and we are not now legislating for the millenial dawn but for the present day, for human beings such as they are now. And they are not too bad. After two thousand years of evolution from the time of the Christian era, I feel we are a tremendous improvement on those early days. I do not know how many thousand years it will take to prepare us for the millenium, but our friends to the left are ready now, apparently. Well, perhaps they are, but I have not been able even with my best glasses on to detect any evidence of it. I think it is meant to be taken as semi-religious, and I note the church papers are taking it up in that light. All I can say, therefore, is, dear help the men who are engaged in this kind of propaganda if it is not genuine. Whether it is genuine or not I leave to each individual member of this house to decide. Let me quote further:

1. The establishment of a planned system of national economy for the production, distribution and exchange of all goods and services.
2. Socialization of the banking, credit and financial system of the country, together with social ownership, development, operation and control of utilities and natural resources.

Well, there will not be much left after that is all scooped in under the system of nationalization. There are some real authorities on this subject. I really do not know where our friends have got their experience in these matters, but I can say for myself that I am not an authority on them, and in a case such as this I must go to those who are universally regarded as authorities. Now what do we find? We find no less a person than Philip Snowden, now Lord Snowden, at one time Chancellor of the Exchequer in Mr. Ramsay MacDonald's Labour government, making this statement with regard to the socialization of banks:

But it is clear from the discussion that the purpose of this demand is to get the financial control of the Bank of England, the joint stock banks and the financial houses in order to use these institutions for political purposes. The control of financial policy is to be handed over to the House of Commons. Nothing could be more dangerous than to introduce political influence into financial control apart from the incompetence of an honest parliament to deal with such a matter.

That is rather frank, and I must say that so far as I am concerned the imputation is correct. The man who makes the statement I have just quoted is not big in stature but he is a giant in intellect and I am compelled to accept his surmise of what is likely to happen if we adopt the principle of the government handling the banks entirely by itself. What a great jamboree our friends to the left would have with state operated banks prior to an election. We have only to turn to the many farm loan boards in this dominion, the provincial farm loan boards, to get some idea of what would happen. After borrowing all we could from private persons, banks and mortgage companies, the public forced the various provincial governments

themselves to enter upon a system of loaning, and from that to the dominion system also. We find nothing in all this but a grand orgy, a grand spree of borrowing and spending with pay day yet to come. And now the whole thing is to be taken over and socialized and administered by our very innocent friends to the left, who know no wrong nor evil nor see the obvious danger pointed out by Lord Snowden. Let me continue quoting:

3. Social legislation to secure to the worker and the farmer: an adequate income and leisure with an effective voice in the management of his industry.

How will the worker have an effective voice if he becomes tenant and the government landlord? That is what I want to know. It is all things to all men, but particularly for themselves.

Remove the burden of debt which hangs so heavily over society at the present time.

Isn't that alluring? Wouldn't everybody like that? But how is it to be done? They do not tell us. Are they going to repudiate debts or cancel them or what? Of course, something must be done, and I personally should like to know the way out. No one would follow that path more readily than I, but this is too indefinite to induce me to take a leap in the dark. The next item is this:

The development of Churchill as a free port of entry for western Canada.

This is a local matter, but it reminds me that when I was on the other side of this chamber and advocated Churchill as the port of entry instead of Nelson, these lefters are the very boys that opposed me; they charged me with throwing a monkey wrench into the whole machinery. Yet they are now talking about developing Churchill. The port would not have been at Churchill if it had been left to them, and now they come along with all their nonsense and flim flam. I cannot go into all of it because my time is running short.

Still another policy is presented to us, an agricultural policy from the same source. I am sure our left wing friends must have great faith in that old dictum of Barnum, that the people like to be fooled, and apparently some do; but on the other hand I have just enough faith in the intelligence and discernment of the electors of Canada to believe that if you give them time to think these questions over, they will not be humbugged with all this propaganda, especially when they remember what the nationalization of land implies. We were all brought up with the idea that it was the highest aspiration of a man to own the roof over his head, and every labouring man was encouraged to achieve that end—a little piece of God's earth which one could call his own, not as tenant but as owner. This idea is to be scrapped—by whom? Some of these Labour gentlemen leaders especially in Saskatchewan, who advocate these new theories could not go to a farmer's home and start a fanning mill or turn a grindstone or set a clucking hen, so far as agriculture is concerned, and yet they want us to hand over all the affairs of the nation to them, with all this evidence of their incapacity. They have not been able to do what they were entrusted with. Consider what was done through the agency and influence of the U.F.C., as already recited in connection with Wheat Producers Limited. Look at the prostrate condition of that great undertaking to-day. The government is trying to salvage its mountains of wheat having to be taken over and further mountains bought to bolster up the price. We find trouble all along the line as a result of not leaving the Saskatchewan cooperative elevators to serve their end as they would have done until further steps could in safety be taken by adopting the policy of patronage dividends.

The farmer labour land policy in Saskatchewan is so vague that I hesitate to put any interpretation upon it, but my understanding of it is that those who have mortgages on their land, and that means a good many of us, will have these mortgages taken over by the provincial government. Provincial bonds will be given in exchange for mortgages. I do not know whether the mortgage companies will be agreeable, but that is what is proposed—some say the bonds will be non-interest-bearing while others say they will bear interest. Both ways have been mentioned and I do not know which is right. Then the farmer is to be tenant and must pay rent to the government, and when he has paid sufficient rent that is to be set aside to redeem the before-mentioned provincial bonds. I do not know how long that will take but finally the ownership, according to this document, as I and others understand it, passes not into the hands of the farmer but into the possession of the state. What a prospect and what a landlord.

Mr. L. DUGUAY (Lake St. John) (Translation): Mr. Speaker, I deem it my duty to make a few comments with reference to the resolution under consideration. May I, first, state that I admit with the hon. member for Winnipeg North Centre (Mr. Woodsworth)

that the present world wide depression points to fundamental defects in our economic system; however, I must add, sir, that I do not share his views as to the remedies and means to which he wishes to resort in order to cure or reform our present system. May I further state that, if it is unfortunate for social order and peace to be called upon to discuss a motion such as the present one, capitalism, which has replaced justice, is the cause; moreover, those who have uprooted our rural population to transplant them into cities have prepared the advent of communism in Canada.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. DUGUAY (Translation): I am not opposed to capitalism. Larousse defines the word capitalist: "one who has capital, especially capital invested in enterprises." According to this definition, we can state that the small property owner who has lodgments to rent and the farmer who works his farm to earn an income necessary to a livelihood, are equally capitalists. The manufacturer who operates larger industries for the benefit of his fellow-citizens and makes reasonable profits, even if they are large, is a capitalist who deserves, like the two first, the protection of the government and the respect of the people. This kind of capitalist is necessary to the fundamental existence of nations, and no one is allowed, in my humble opinion, to pass any measure which might tend to dispossess them of such capital. That is why I shall vote against the present resolution which states:

> . . . the government should immediately take measures looking to the setting up of a cooperative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few.

This would inevitably dispossess the property owners I referred to.

As I previously stated, the promoters of over capitalized companies or enterprises who have assumed the rights of small property owners, either legally or otherwise, are responsible, to some extent, for this general depression, and foster ideas like those advocated by the hon. member for Winnipeg North Centre, which spread and find supporters.

One must remember, sir, that, even in the province of Quebec, many people share these more or less advanced ideas, and the hon. member for Labelle (Mr. Bourassa) was right in saying:

> "Well, after all, bolshevism is in Russia; it is far away, but we know what we are suffering from and we are not going to be satisfied with denunciations of bolshevism all the time. What we want is some alleviation of our own evil."

Take, for instance, the situation created by capitalists in the district of Lake St. John. Some fifteen years ago, the people of that section lived happily and peacefully, each on his own small farm; the day, however, came when these magnates of finance who, with the cooperation of the provincial Liberal government, ruined everybody, even more, they usurped the rights of property owners, legally, if you wish, but nevertheless unjustly.

Mr. DUMAINE (Translation): Did they pay for them?

Mr. DUGUAY: . . . legally, but abusively. Some will contend that I wish to raise the bugbear of the Lake St. John flood. . .

Mr. ST-PERE (Translation): It is out of fashion.

Mr. DUGUAY (Translation): Some will also state that the dispossessed farmers were compensated. That is also true.

Mr. GOBEIL (Translation): Not all.

Mr. DUGUAY (Translation): However, the fact remains that, willingly or not, they were forced to give up their property to these promoters of large undertakings.

The Quebec government, by fostering these large industries uprooted our country people from their farms and herded them in cities in industrial centres; even more, our national patrimony has been parcelled up with the concurrence of our municipalities which were loaded with the whole cost of their administration, in order to enable these gentlemen to found small independent towns. These gentlemen soon forgot the great sacrifices made by the people of that district, and to-day, we witness the offsprings of these pioneers who settled that part of the country, crippled with debts for years to come. What has been the result of these large undertakings, if not to spread poverty? Owing to unfair competition, we witness, to-day, one of our oldest established firms, Price Company, forced to close their doors, notwithstanding the fact that this company had greatly contributed to the development of the Lake St. John region and Quebec.

In order to conceal the fate inevitably reserved to our people, our legislators, both present and past, have always waved the political flag, to conceal from people the outcome of their want of foresight.

May I, sir, set forth the best proof of such a statement.

On October 13, 1932, one of the oldest members of this house, the hon. member for Bonaventure (Mr. Marcil), on page 181 of Hansard stated:

We have had no shanties in eastern Quebec for the last two years. Thousands and thousands of our young men who every year go into the lumber woods were idle last winter and the winter before, and they are going to be idle again this winter. Every saw-mill from Rimouski down the Matapedia valley along the coast of Bonaventure and Gaspe has been closed, with one exception. The hon. member for Beauce (Mr. Lacroix) has a saw-mill where he is sawing a quantity of logs so that they will not be completely lost, but he says that he can find no market for his product. Therefore in the lumber industry there has been complete stagnation. In the town of Campbellton, which is the leading town of northern New Brunswick, all the mills with one exception are closed down; between three and four thousand men are idle and the people do not know where to turn and how to get food and clothing during the coming winter. We all received some days ago two or three slices of bread that were sent to us by mail—bread for the Chomeurs, for the unemployed. Those are the rations that are being given to good Canadians who are willing to work. If this government could implement only half the promises it made and find a market for our farmers and work for our mechanics, all our troubles would be settled.

An effort was being made to convince the people of my native district—being a native of Gaspe—that, if they were out of work and suffering hardships, it was due to the Dominion government not fulfilling its pledges; while the true cause was communicated and published in the press of December 15, 1932, by the Hon. Mr. Kelly, legislative councillor.

It is as follows:

In the interest of my fellow Gaspesians and in fairness to myself, I feel that I should tell the public what I have often told Mr. Taschereau especially during recent months.

Until a few years ago Gaspe was a happy contented country. Its population of 75,000 souls consists of small farmers, fishermen and labourers. The farming and fishing not being sufficient to provide for their wants the young and middle aged men went to the lumber camps during the winter and the old men took care of the home. There were then numerous mills operating on many of our Gaspe rivers. Then came the days of amalgamation and overnight these mills were controlled by a few large companies. The International Paper purchased the limits—Champoux or Chaleur Bay Mills and closed the mills at Cross Point. It purchased the Montgomery Mills, at New Richmond and demolished them. At Cascapedia the Bathurst Paper Co. took over the control of the limits of the Grand Cascapedia and the mills were demolished. The same company took over the Edwards and McLean Mills, at Bonaventure, and here also they were demolished. The International purchased the Shephard and Morse Mills, at Gaspe, and closed their doors. The Howard Smith demolished its mills at New Carlisle and closed its mills at Gaspe.

The pulp mill on the Madeleine river was purchased by Brown Corporation and the machinery was taken away. Two other mills remained: the pulp mill at Chandler and that of Lacroix at Carleton, both are now closed. As a result of all this the Gaspe people were, in a short time, deprived of their main means of earning a livelihood. The potato crop remained but owing to the heavy rains it also was a failure this year. There still remained the fisheries, unfortunately this also was a failure. The consequence of all this is that a large percentage of the people have not a copper with which to buy food and clothing and the Gaspe winter is now on. Only government assistance and lots of it, can cope with the present situation.

That is the real cause of all hardships. and what the Hon. Mr. Kelly says with reference to Gaspe, can also be said about the whole country.

Mr. FAFARD (Translation): The hon. member might perhaps give us a list of the grants they received.

Mr. DUGUAY (Translation): I am not discussing at present whether the government made grants, but I wish to state why it is obliged to make grants.

Mr. RHEAUME (Translation): The hon. member for Lake St. John is not here to champion the Taschereau government!

Mr. DUGUAY (Translation): Then why raise the question? If the hon. member will permit me I shall proceed with my remarks.

In connivance with the provincial government the federal Liberal members of Quebec are responsible for the situation such as it exists in Quebec, and it is with reason that the hon. member for Labelle stated in Montreal, some time ago, that Quebec was the paradise of capitalists. We are, therefore, compelled, to-day, so as to reestablish order, to give our rural districts a larger population as compared with that of cities which spend millions of dollars. When the Bank Act is again submitted to parliament, next year, we shall be forced in order to keep our people on the farm, to enact measures so as to reduce the rate of interest on loans made to them.

Mr. FAFARD (Translation): We shall see what will then be your attitude.

Mr. DUGUAY (Translation): The future will tell. I am not pointing out these facts, sir, simply to criticize. If I have mixed some politics with them, it was simply to render to Caesar the things which are Caesar's.

The situation is not irretrievable. I feel confident that the subversive ideas proclaimed by alarmists will not prevail in Quebec, because our rural population, from whose midst are recruited our priests and nuns, is the safeguard of order and property rights, and will, with the help of our church, withstand the shock, and when the crisis has passed over, it will once more have proved that, faithful to its traditions, Quebec will have contributed to make of Canada a bulwark of moral and social order.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, for two days last week I listened patiently to the speeches of hon. gentlemen in the corner to my left advocating the policy, of this new party, in the hope that I would get some understanding of the policy they advocate. What do they tell us? The hon. member for Winnipeg North Centre (Mr. Woodsworth), leader of the party, the hon. member for Southeast Grey (Miss Macphail), the hon. member for Vancouver South (Mr. MacInnis), the hon. member for Macleod (Mr. Coote), the hon. member for Battle River (Mr. Spencer), the hon. member for Wetaskiwin (Mr. Irvine), and the hon. member for Bow River (Mr. Garland), all spoke in support of this new policy, and yet I do not know what their plan is. In graphic pictures they painted before us the deplorable condition of the unemployed, the distressful situation under which many of our people live. That could be done by a supporter of any party in the house. They told us that the capitalistic system is tottering to its fall; that nothing could be done to save it and that they were the only party in the house that had a definite plan to put something in its place. We have waited patiently, but in vain, to learn what that plan is, and so far as I can find out, all the plan they have is that they are planning to make a plan.

Supposing, sir, a gentleman were to come into your office to-morrow morning and tell you that the house in which he is living is an old tumble-down shack; that the foundations are falling into decay; that the house is drafty, dark, unsanitary, overrun with vermin, if you will; that it is likely at any time to fall on the heads of the inhabitants and that he is planning to build a new and better house. Supposing you were to ask him what kind of house he intended to build, and he were to tell you that the was going to build a beautiful house, large, bright, sanitary, comfortable, convenient, with a room in it for everybody and every room designed to suit the exact needs of the occupants and located in the exact part of the building the occupant most wanted. Suppose you were to ask him to show you the plan of the house and he replied that that was the plan which he had already described. Then supposing you asked him further how he planned to finance the building of the house, you knowing he had no money, and he told you that he would pay for it by issuing notes payable on demand to bearer. Supposing you asked him how he proposed to redeem those notes when they were presented for payment and he told you quite cheerfully that he did not intend to redeem them; that when the lumberman, wanting money to pay for coal to put him through the winter, presented his note, he would tell him to take the note to the coal man and buy coal with it because it would be honoured by anybody; that when the coal man came and asked that the note be redeemed for cash, he would tell him to to take it to the grocer and pay for his groceries with it, and when the grocer came for his money, he would tell him to take the note to the coal dealer to buy his coal with it and so on. If a man were to tell you such a story as that, you would be more impressed with his cheerful optimism than with the practicability of his plan.

These gentlemen who are supporting this new movement ask us on the Liberal side of the house why we are not taking part in this debate. They say: Why are you folks sitting back and not discussing this plan of ours? The answer is: We are waiting to hear what the plan is. Let them show us their plan and we will examine it. Look at the speeches they have made. Reference has frequently been made to the style of their speeches with their long quotations and extracts from the utterances of others, extracts from speeches of Reginald McKenna, John Maynard Keynes, Sir William Beveridge, Sir Basil Blackett and others. They offer no argument of their own, no explanation of their plan, no proof of anything they say, simply quotations from these gentlemen. When my turn comes to knock and seek admission at the pearly gates, if it should be asked of me why, when I was a member of this house, I supported certain policies and opposed others, I hope to have a better reason to offer than to say: Sir Basil Blackett said that it would be a good thing or John Maynard Keynes said it would do no harm.

If I were to offer such an excuse, St. Peter would ask me: Where was your own head? What were you elected for? Were you not supposed to exercise any judgment of your own?

Perhaps this attitude on the part of hon. gentlemen in the corner to my left as compared with ours illustrates as well as could anything else the difference between a Liberal and a Progressive. The Liberal says: Show us your plan, and we will examine it and form a judgment; he analyses. The Progressive memorizes. I might add that the Tory fossilizes. The hon. member for Wetaskiwin (Mr. Irvine)—I am sorry he is not in his seat—did say something about the foundation of the new structure. He did not outline the plan. He said that the foundation is to be laid on the bedrock of abundance. I ask: Abundance of what? Abundance of grain from which to make bread? Yes. Abundance of beef, pork, mutton? Yes. Abundance of fuel? Yes, but not all where it is handy. Some of our fuel is thousands of miles from the market where it is most needed. Abundance of lumber? Yes, if we are satisfied to use only the kind of lumber we have. Abundance of wool to make clothing? Yes, abundance of wool, but not the kind of wool we use in our clothing. If we are going to be restricted to the wool produced in Canada, we are not going to wear the kind of clothing we wear now, nor the kind these hon. gentlemen at present wear. Abundance of cotton from which to make cotton clothing? We have none. Abundance of tea, coffee, oranges, lemons, bananas, currants, raisins? We have none of these things. Where is the abundance? We have abundance of certain things which we can produce in vast quantities. We have none of other things. Under our capitalistic system, which my hon. friends condemn, we seek to exchange our surplus of the products which we have for the things which other people have in abundance and which we do not produce. The hon. member for Wetaskiwin said the other night that capitalism cannot continue without foreign markets. Perhaps some hon. member in the corner to my left will tell us how the new cooperative commonwealth is to go on without foreign markets. The hon. member for Bow River told us last session that normally two-thirds of our national income arises from the export of raw material. Under this new commonwealth scheme we would cut off our foreign trade, live within ourselves, so according to their own figures we would cut off two-thirds of our national income and they think we can get rich by living on the other third.

[Mr. Young.]

Mr. LUCHKOVICH: We have no markets now.

Mr. YOUNG: We have this year marketed a considerable portion of our crop. They call this the Farmer-Labour party; it is a party composed of farmers and labourers, an alliance of these two groups to bring about a new world, a new condition in which there will be justice to everybody. Last session I quoted figures—they were repeated this afternoon by the hon. member for East Calgary (Mr. Stanley)—showing that the farmer, when he goes into the market to exchange his labour for that of the industrial worker, is required to give four days' work in exchange for one. That was true last year. It is doubly true to-day. The farmer is not now getting one day's work of the industrial worker for four days' work of his own. If this new party gets into power, is it going to perpetuate that condition or bring about a new deal? Is the farmer to be compelled to give four or six or ten days' work for one day's work of the industrial workman?

Speaking of wages, I have under my hand a "Memorandum submitted by the National Railway Labour Unions of Canada, with respect to Bill A, introduced in the Senate of Canada by the Right Honourable Senator Meighen. Presented by A. R. Mosher, president of the All-Canadian Congress of Labour and of the Canadian Brotherhood of Railway Employees." This is what Mr. Mosher says:

> Restrictions on railway revenues should therefore be removed and the railways allowed to charge rates which would return them their costs plus reasonable profits. An increase in freight rates to the same level as that which now prevails in the United States would remove any financial difficulties from which Canadian railways may suffer.

Further on he says:

> If the revenues of the railways are not sufficient to meet their requirements, freight and passenger rates should be increased.

That is the opinion of Mr. Mosher, speaking for the railway men. Who is Mr. Mosher? I have before me another document entitled "The Cooperative Commonwealth Federation, the new national movement launched at Calgary, August 1, 1932." The national council consists of the president, Mr. J. S. Woodsworth, M.P.; Secretary, Norman F. Priestley; provisional executive: George H. Williams, Saskatchewan; J. Queen, M.L.A., Winnipeg; Mrs. B. Latham, Edmonton; A. R. Mosher, Ottawa, representing the Canadian Brotherdood of Railway Employees; William Irvine, M.P., Wetaskiwin; Angus MacInnis, M.P., Vancouver; and Mrs. J. Lucas, president of the women's section of the U.F.C. (Saskatche-

wan section). I would ask the president of this new political party which is seeking to bring about equality, if he is supporting Mr. Mosher in his demand for higher freight rates.

Some hon. MEMBERS: Answer.

Mr. YOUNG: He does not answer. I am sorry the hon. member for Wetaskiwin is not in his seat, or the hon. member for Bow River. The hon. member for Bow River told us last session that one of the greatest handicaps from which the farmer is suffering to-day is high freight rates, and he cited the case of a farmer who shipped 21 fine pullets to market and found that the entire price he received was absorbed in freight rates. I would ask these hon. gentlemen if they were here if they support this party in its demand for higher freight rates.

I have here the proposed program of this new party. The first plank is the establishment of a planned system of social economy for the production, distribution and exchange of all goods and services. This is the famous production-for-use program. We are to produce for use. As a farmer, I know from my experience, and I believe the experience of every other farmer in Canada has been the same, that during the past three years I have been producing for use. Every bushel of wheat that we have raised, every steer that we have fattened, every hog that we have fed, every egg that our hens have laid, have all been produced for the use of society. Society has used them, and we have had no profit. Frankly we are getting tired of it. We would like to produce for profit for a change. We have had plenty of producing for the use of other people.

Although hon. members to my left have refused to discuss the particulars of their plan, there is in Saskatchewan one man who seems to have more faith in the program than they have, or at least faith enough to be willing to discuss it. Some two or three weeks ago at a meeting which was held in Regina I heard this gentleman discuss "Some Phases of Planning." He said: There is no use in growing wheat for the world's market because you cannot sell it, and the only way to restore the price of wheat to what it ought to be is to curtail production. Under the present system, he said, if some farmers reduce their acreage in order to curtail production, others who refuse to do so will reap a double benefit due to the sacrifice of their neighbours. That will not do at all, he said. The whole thing must be controlled, and this is what he proposed to do. A planning board must be set up composed of scientists, engineers and economists. There will be no politicians on it, no members of this house, because politicians are not competent to make a plan. All that he is going to entrust the politicians with is the more difficult task of choosing the planners, and as far as I understand the program, that will be the sole function of the House of Commons under this scheme—simply to choose the planners who will make the plan. We will be reduced to the status of a sort of electoral college. We will be elected for four years, and will come here and choose the planners who will make the plans under which we are going to work. This planning board will make a survey of all the requirements of our people, and will decide how much food of different kinds we need, how much clothing, how much fuel, and lumber and furniture, and so on. Then they will call in the technocrats who will tell them how many men will be required working so many hours per day and so many days per week to produce those goods. And then, he said, we will mobilize the man power of the nation as was done during the war, and we will set every man to do the work for which he is best suited. The machine will then start operating, and in this way, he said, we will produce abundance of everything for everybody, and we will work only four or five hours a day.

Of course, he produced no evidence except the statements of the technocrats. I think the hon. member for Wetaskiwin stated in the house the other day that one hundred men operating a modern brick machine could produce all the bricks that are required in the United States. I suppose that if a machine of that sort were set up in Canada only eight or ten men would be required to produce all the bricks that are needed in this country. Now the principal factor in the making and marketing of bricks is the freight. Are we going to set up these costly machines in every province of the dominion, or are we going to have only one in some central place? There is nothing practical about it at all. The technocrats have told us many startling things about the possibilities of industry, but every statement made by the technocrats has been exploded already. We have been told that technocracy and socialism are identical. Well, if they are technocracy has gone by the board.

We are going to work only four or five hours a day under this system. Perhaps some of the farmer members of this new group will tell us how the farmer, working only that number of hours a day, is going to get in his crop. Perhaps that difficulty could be solved by sending more men on to the farm. But what

about the farmer's wife? Where does she come in? The farmer may work only four hours a day but his wife has to cook him three meals, and she cannot cook all three and have the dishes washed up and do all her other work inside of four hours. If we are going to have equality of status between men and women under this new regime, the only solution that I can see is to allow every farmer three wives, one to cook his breakfast, one to cook his dinner, and another to cook his supper. I do not know whether the technocrats can arrange that.

The second plank of their platform is that dealing with the banking, credit and financial system of the country. That phase has been dealt with by other speakers. I am not going into the question of the desirability or undesirability of socializing our banking institutions, but I can tell you what happened in the state of North Dakota where it was tried. They set up a farmers' government there a few years ago, a Non-partisan League. One of the planks in their platform was the establishment of a state bank for the same reason for which it is being advocated in this country, because the other banks were not lending money to those they thought should get it. They set up this state bank, which loaned money, and loaned to those who could not borrow in other banks. In the course of time these farmers' notes became due and were not paid, and the state bank took possession of their land. The state bank like any other state institution does not pay any taxes, and every quarter-section of land that was taken over in that way was removed from the tax roll, leaving the full burden of taxation to be carried by the other lands. In one single school district no less than nineteen quarter-sections were thus taken over and removed from the tax roll. The consequence was that the whole burden of taxation fell on the other lands, and the taxation in that school district rose to four dollars an acre. I wonder if my hon. friend will tell that to the farmers?

Then we find the expression "social ownership, development, operation and control of utilities and natural resources." All our utilities are to be publicly owned and operated. Well, we have on our hands one experiment in public ownership, namely, our railways. Do hon. members think we should go any farther along that line? Do they not think it would be a good idea to wait until we have given this system a thorough trial? Has the public operation of our railways been such an outstanding success that all at once we must take over everything? Would it not be well to go on with the public ownership that we have, and wait until we have thoroughly mastered the technique of running a railroad? When we meet with success in that one particular, probably we may consider going further and taking on other obligations.

[Mr. Young.]

Then they are going to have "security of tenure for the farmer on his use-land and for the worker in his own house." "Use-land" refers to the land used for purposes of production. They are going to dictate to the farmer how much grain he shall grow, how many cows he shall milk, how many hogs he shall fatten, how many eggs his hens shall lay. All this is to be planned, and the farmer is to be directed as to how he shall do it. They will say to each farmer: "You must leave a certain portion of your land idle." We know that all land lying idle will grow weeds; it will cost money to keep those weeds down, and the land will not be producing anything. The cost of fighting those weeds will have to be borne by the farmer. All that land which is taken from him will not be secured to him. They will give him security of tenure on his use-land only, or that which they permit him to use. All the burden of taxation will fall on the use-land acreage. To cover all these services an enormous increase in taxation will be necessary, and those taxes must be levied against the lands which they say they are not going to take away from the farmer. I want them to tell us how they will collect taxes. If the farmers will not pay or cannot pay, the security for taxation is in the land. How will they proceed to get those taxes, without impairing the tenure of the farmer on his use-land?

Then we come to clause No. 4,—

> The retention and extension of all existing social legislation and facilities, with adequate provision for insurance against crop failure, illness, accidents, old age and unemployment during the transition to the socialist state.

"Insurance against crop failure",—any man who has any practical knowledge of the risks run by the farmers who put in their crops, who has any practical knowledge of the cost of insuring those crops, will immediately ask this question: Who is going to pay for it all? Where is the money coming from to pay insurance on all the crops which might fail? Take, for instance, the situations which arose in southern Saskatchewan, Manitoba and Alberta in the last three years. Throughout hundreds and thousands of square miles they have experienced total crop failure. But in this clause we find the expression "insurance against crop failure"; where will the money come from to pay for all this insurance?

An hon. MEMBER: From Mr. Woodsworth.

Mr. YOUNG: There is only one source from which it can come—from the farmer himself. The farmer cannot pay it. Hon. gentlemen in the corner of the house know perfectly well that is not a practical suggestion, and cannot be applied. They may get some votes from the unthinking by stating they are offering crop insurance, but the impracticability of the scheme is apparent to anybody who stops to think for a moment Then there is to be insurance against "unemployment during the transition to the socialist state." That is a provision for unemployment insurance. The farmer to-day is giving four days of his labour in exchange for one day of the other fellow's labour, and because he is no longer in a position to hire that other man to work for him we are going to make that farmer pay the other man unemployment insurance, without work.

Then in clause No. 5, we find: "Equal economic and social opportunity without distinction of sex, nationality or religion." Have we not that now? That plank could be in the platform of any political party in Canada. Our friends have no claim or monopoly on it.

Then clause No. 6: "Encouragement of all cooperative enterprises which are steps to the attainment of the cooperative commonwealth." Perhaps another speaker, whom I do not see in his seat to-night, will deal with this clause. One can easily demonstrate that cooperation and socialism cannot exist side by side in the same state. If we are going to have cooperation, as we understand it, we cannot have socialism.

Clause 7 provides for "socialization of all health services." Who is going to pay for all this? Those services must be added to the taxation. I said that in North Dakota taxes amounted to $4 an acre; if all these things are done, what will they be in Canada. Fourteen dollars an acre would not cover it.

Then, clause 8: "Federal government should accept responsibility for unemployment and tender suitable work or adequate maintenance." I wonder what is meant by "adequate maintenance"? I suppose that means living under what we know as the present standard of living. I think it is generally recognized that the present standard of living is a little higher than we are going to be able to maintain; we will have to settle down to a lower standard. But our friends of the new party say that the unemployed shall have this adequate standard of living, regardless of the fact that when the total wealth production of the country is divided among all the people there will not be sufficient to give us all an adequate standard of living.

Mr. MITCHELL: Why?

Mr. YOUNG: Because we do not produce it.

Mr. MITCHELL: What are we doing now?

Mr. YOUNG: We are not producing it now. There never was such a scarcity of real wealth in the country as there is to-day. Take the total wealth production of this country, and subtract from it all that is necessary to maintain the equipment. Take that portion which is left available for human consumption and divide it among the population, and you will find there is no such figure available for consumption as hon. members in the corner of the house suggest.

Mr. HEAPS: Does the hon. member interpret wealth only in dollars and cents?

Mr. YOUNG: Measure it any way you like; dollars and cents offer the only yardstick we have at the present time. If the hon. member objects to measurement in dollars and cents, will he explain why Mr. Coldwell, the apostle of the new doctrine in Saskatchewan, tells the people that they will have the equivalent under the new scheme of $20,000 income per annum? Why does he measure it in dollars and cents?

Speaking a few days ago the hon. member for Macleod (Mr. Coote) made a definite suggestion as to what they would do. He said that if necessary they would print $200,000,000 new money.

Mr. HANBURY: Why stop at that?

Mr. McINTOSH: Why not drive on?

Mr. YOUNG: He suggests they would print $200,000,000 new money, and that it would be given into the hands of the people. That action he describes as establishing purchasing power. He would get it into the hands of the people by granting wheat bonuses, building houses, building hydro-electric plants, highways, and so on. He states that he would be placing purchasing power in the hands of the people. What is purchasing power? Some people seem to think that money is purchasing power. Money is purchasing power only when it will purchase goods. Purchasing power I take it, is the power to give one form of wealth in exchange for another form. Money is not wealth; it is only a certificate of title to wealth. Money is no more wealth than the deed to a piece of land is, in fact,

the land. You cannot increase the land in a country by issuing more deeds; you cannot increase the wealth of a country by issuing more money. Money is only a certificate to title. I cannot create an island in the Atlantic ocean by simply issuing a title deed to the land of which it is supposed to consist. Neither can we create wealth in this country by printing new money.

The hon. member is going to print this money and spend it on public works. Let us see what this means. You give employment to the unemployed and pay them with this printed money. This printed money is a promissory note, secured against the created wealth of the country. The unemployed will take that money to the farmer and with it will buy wheat, meat, dairy products; he will take it to the miner and buy coal. But what is the net effect of the whole transaction? It is that those who are engaged in the production of wealth will be feeding, clothing and housing, men who are producing something that they, the primary producers, do not require and cannot use. They say to the farmer: You must, out of the meagre returns you are getting, feed and clothe all these unemployed, not while they are producing something that they can give you in exchange, but while they are building houses for themselves to live in, hydro-electric plants to light and heat those houses, making parks for themselves to sit in, roads for themselves to drive on and that the farmer will never drive on, houses he will never dwell in; you are making him support people who are making these things for themselves. Not only that, but so long as the farmer lives he is going to be taxed to maintain these improvements. Not only has he to feed and clothe the men while they are building these things for themselves and get nothing in return, but as long as he lives he is going to be taxed to maintain them.

My hon. friends argue that if they print this money it will inflate our currency, in other words depreciate its value, so that we will get more Canadian dollars for the goods we ship to England, with which we can pay more Canadian debts and do more business in Canada. They say that will act as priming to the pump, and industry will flourish. Would it? Let us see what has been the effect of inflation so far. Our dollar to-day is down to about 85 cents. They say we should depreciate it to the level of the British pound, so then it would be down to about 70 cents. What good has it done to bring it down 15 cents? Will any hon. gentleman here say that we have reaped any benefit from the present depreciation of the dollar? Is wheat any higher, are cattle any higher, have markets improved because of this?

An hon. MEMBER: Have wages gone up?

Mr. YOUNG: Have they? The immediate effect of inflation is to cut wages; perhaps the labour members will remember that. On November 1, 1932, the Canadian dollar stood at 90 cents. On that date the price of wheat in Winnipeg was 46⅛, in Chicago 44⅛; Chicago being on the gold basis, the price there was 2 cents lower than in Winnipeg. The price in Liverpool was 57⅝ cents. One month later the Canadian dollar had declined to 85½ cents, down 4½ cents. By all the reasoning of hon. gentlemen in the corner, that should have had the effect of raising the price of wheat in Winnipeg 2 cents. But the price in Winnipeg then was 44½, down nearly 2 cents; 42½ in Chicago, the same drop as in Winnipeg. In Liverpool the price was 58½. It went up in Liverpool and down on this side of the Atlantic. What good did that inflation do us? When a 15 per cent inflation of our currency has done us no good, what reason have we to suppose that 30 per cent inflation will do any good?

An hon. MEMBER: Or 75 per cent?

Mr. YOUNG: Or 75 per cent. My hon. friends say we should inflate our dollar to the level of the British pound, but all the arguments they advance are in favor of inflating it to the level of the Australian. They are not consistent. If they really believed what they argue they should ask that we depreciate our dollar to the level of Australia. But no, they say to the level of the British pound.

If we brought our dollar down to a parity with the British pound, or said we would redeem British pounds with Canadian dollars, as suggested by the hon. member for Macleod (Mr. Coote), we would be backing the notes of England. British pounds are Britain's promissory notes, as Canadian dollars are ours. When the British pound is below the value of our dollar and we redeem it at par we are backing and paying Britain's promissory notes. Suppose the shoe were on the other foot; suppose the condition of world trade were such that our dollar went below the pound—and in these days, while the pound is coming up the dollar is going down, that might easily happen—would Britain redeem our notes at par? I think not. Why should we give $4.86 for the British pound if she would not give 100 cents for our dollar?

But what is the probable effect of depreciating our currency on the price of wheat—or

of world commodities; but take wheat as a specific example. The other day our dollar dropped about four cents. Did it have any effect on the price of wheat at Winnipeg? It should have sent it up two cents, but actually it went up only one cent, and stayed there only a few hours. The dollar stayed down but wheat did not stay up. What is the reason? As near as I can understand, the reason is that there was so much wheat ready to be put on the market that that advance of one cent a bushel drew out vast quantities and forced the market down again. The result was that we were getting the same number of cents, but of an inferior value, in exchange for our wheat. We were selling our wheat on the world's market for really less money than before. When we undertake to sell our wheat for less than before, what does the Argentine do, what does Australia do? In order to sell their wheat they have to meet our price, they come down also. So the net result of the operation has not been to raise the price of wheat in Canada but to depress the price of wheat in the world. That is the net result, as far as I can understand, of trying to depreciate our dollar.

What did we do in Canada when the currencies of other countries began to depreciate? We promptly put on an exchange dumping duty. If the currency of Japan went to half its previous value we raised the duty against Japan enough to make up the difference. Will not other countries do the same? Assuredly they will; they learnt the lesson from us. They learn all their evil lessons from us in these matters. The advantage which my hon. friends hope to get from a depreciated currency in getting their goods into the foreign markets will be immediately offset by the increased duties that other countries put on against us.

What I cannot understand is, hon. gentlemen in the corner were elected to this house in the first instance to fight tariffs, these insuperable barriers to trade. Now they are advocating inflation of currency, which is another form of tariff. When you lower the value of our dollar by 20 per cent you raise the tariff by that amount, and that is another restriction to trade. Those who advocate that policy, whether they know it or not, are advocating an increase of tariff.

Of all the arguments advanced by the supporters of this new policy this matter of inflating currency is the only one they have tried to explain. I wish some of them would explain exactly what they mean by their plans and exactly how they propose to carry them out, so that subsequent speakers on this side may be in a position to deal intelligently with their proposals.

Mr. G. B. NICHOLSON (East Algoma): In considering the resolution before the house I think we should first ask ourselves what our present position is in relation to the proposals made; then we can determine whether our position will be improved in any sense if we accept what is laid down for us. The resolution virtually asks us, if I may use the word, to scrap the constitutional, social and economic machinery of this country and to set up in its place some vague idealistic system which so far has not been explained in this house.

First of all I want to say this, and I say it without fear of contradiction from any side. There is no country in the world to-day where men and women have so great an opportunity for self-expression and self-development as in the Dominion of Canada. There is no country in the world that provides a greater opportunity for men and women to do what this resolution presumes to suggest that we should do, namely, to cooperate. The resolution asks us to set up a cooperative commonwealth. In the first place, in every province in Canada the law makes it possible for citizens to group together in cooperative movements for any legitimate purpose they have in view. They can cooperate in the production of goods, in the sale of goods, in the marketing of goods and in social services of every kind, and I say without fear of contradiction that if there is any legitimate plan of cooperation that can be put forward which is not now provided for, then the parliament of Canada or the legislatures of the provinces will be only too glad to enact the necessary legislation if that legislation has for its purpose the improvement of the condition of the people. We must therefore go outside the realm of cooperation if we want to find out what these gentlemen propose to do, assuming that their object is to improve our condition, because the resolution sets out that the government must at once set up an entirely new system. What that system is has not been explained. As a matter of fact, as stated so well this afternoon by hon. members on both sides, we must go outside the house to ascertain what it is proposed to do. I will give only one quotation which I take from a speech made outside the house by the mover of this resolution, the hon. member for Winnipeg North Centre (Mr. Woodsworth). He was quoted this afternoon in a speech he delivered in northern Ontario and I will carry on from the point where that quotation ended. This is what he said—

Mr. WOODSWORTH: Where?

Mr. NICHOLSON: In the city of Port Arthur. The hon. gentleman asked, "Can this thing be brought about?" That was the conclusion of his speech after reciting all the plans that the Cooperative Commonwealth Federation had. He asked that question of the audience, he asked it of the country and he is asking it now of this House of Commons—Can this thing be brought about? Now I ask, What thing? Simply the proposals that he is putting before the country, proposals with which—I say this with all respect to his colleagues—he has deluded a good many people in the country. Can this thing be brought about? He answers his own question. He says:

> It has been brought about in Russia, but with the loss of millions of lives and untold suffering.

An hon. MEMBER: Who said that?

Mr. NICHOLSON: The hon. member for Winnipeg North Centre. He is referring to this plan which he is presenting to the Canadian people, and he answers his own question by saying that it has been brought about in Russia; but, he adds, with the loss of millions of lives and untold suffering. With that last statement I am perfectly in accord; the lives that were lost were innumerable and the suffering, which is still going on, is intense. As my hon. friend from West York (Mr. Lawson) said, the highest standard of living amongst the peasants and working classes of Russia is not as high to-day as the government of this country, which has been charged with failure to do anything to assist our people, is providing for our unfortunate citizens who to-day, because of a world-wide depression, are out of employment. But for a pacifist, one who in this house and out of it, up and down the country and everywhere, preaches the doctrines of pacifism, the bald statement that this "thing" was brought about with the loss of millions of lives and untold suffering, is a fairly good explanation of the attitude of the hon. gentleman towards all sides of all subjects.

But how will it be brought about? In Port Arthur he told how it was brought about in Russia. How will it be brought about in Canada? He said:

> It may very well be that force may prove inevitable, yes, if the attitude of certain gentlemen is persisted in and the pepole of this country are denied the right—

What right? The hon. gentleman who fosters this plan has not told the house. I ask, what right? If those who intend to put this system into force are met with opposition; if I resist the dictatorship that will be set up in this country to come and take my home from me; if the farmers resist when they come to take their farms from them—I wish my hon. friend from Southeast Grey (Miss Macphail) were here: how would she feel if this dictatorship undertook to follow the same course—

Mr. WOODSWORTH: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. WOODSWORTH: I rise to a point of order. I have never advocated a dictatorship. That is attributed to me; I have never advocated it.

Mr. NICHOLSON: I do not wish to attribute to the hon. gentleman anything that he has not at least implied. He asks how this thing can be brought about. What thing? He answers his own question by saying that it has been brought about in Russia. Well, will he undertake to say that there is not a dictatorship in Russia, the most ruthless, the most cruel dictatorship that has ever been known in history? And he says himself that this thing, which he had been talking about for two hours to the people of Port Arthur, has been brought about in Russia; true, by the slaughter of millions of people and with intense suffering. And he frankly tells the people of Canada, on the floor of the House of Commons, that force will be used by this dictatorship to bring about the same situation.

Mr. WOODSWORTH: Mr. Speaker, the hon. member is misquoting me; I never said such a thing. I ask that the statement be withdrawn.

Mr. SPEAKER: It is not a point of order for one hon. member to contradict another. If the hon. member wishes to deny a statement made by someone else in debate, or to point out wherein he has been misquoted, he can do so when he comes to reply.

Mr. WOODSWORTH: I have been charged with having made certain statements in the House of Commons, which statements I did not make.

Mr. SPEAKER: That is not a point of order.

Mr. WOODSWORTH: I insist that it is a point of order. A statement has been made which is not true and I ask that it be withdrawn.

Mr. SPEAKER: There is no point of order in that.

Mr. WOODSWORTH: I ask that the statement be withdrawn, because it is not true.

Mr. NICHOLSON: I will read the statement and the house can decide:

It may very well be that force may prove inevitable.

I leave it to the house to decide whether or not I imputed wrong statements to my hon. friend. I do not intend to weary the house with details of the system which they have in Russia, nor shall I quote any further from the remarks of my hon. friend.

I should like to quote from the remarks of the hon. member for Bow River (Mr. Garland), who I am sorry to see is not in the house. He is reported on page 1710 of Hansard as saying:

I regret that no member of any other party in this house has so far taken part in the discussion.

Had he remained in the chamber I am sure that he would have received some enlightenment in this regard during the last two or three sittings when this question was discussed. He went on to quote from something said in the House of Lords, as follows:

The capitalist system is tottering. Unfortunately we cannot be entirely detached because we are affected in the common smash.

The hon. member for Bow River is not anything if he is not a prophet. Some time ago I had the privilege of entertaining the hon. member in my own home in the town of Chapleau. At that time he addressed the Canadian club in the Memorial hall. He was endeavouring to enlighten the people as to the operations and success of the wheat pools in the west. I have no fault to find with the wheat pools; personally I believe that in their inception they were splendid things and that if they had been carried out along sound lines great benefits would have accrued to the western producer. At that time the hon. member was predicting what was going to happen to wheat; he now predicts what is going to happen to capitalism. After outlining the development of the wheat pools and their cooperation in the marketing of wheat, he went on to say: "We have taken one final, last step to complete the whole circle; we have established our sales agencies in Europe." Then in his most dramatic style he said: "Never again will the wheat barons of Liverpool or Amsterdam dictate the price we are going to get for wheat in western Canada." If the hon. member's predictions with regard to capitalism work out the same as his predictions with regard to wheat, I think we will find that the capitalistic system will go on for some time. After all, the question that we are interested in is: What is the capitalistic system and how did it arise? In essence, it is just a system under which the individual may develop his own ideals in life. It provides for self expression and self development of the individual unrestricted except by legal restraint. I should like to quote a Canadian businessman in connection with this system which, after all, is founded upon the gold basis. This afternoon the hon. member for Halton (Mr. Anderson) referred to the development which has taken place under this system. Mr. Robertson, the writer of the book from which I am quoting, says:

Although not entirely free from defect, chiefly that of lacking in the system any provision for periodical reappraisals of its value, so great a contribution has been made to society by gold, that a world which (except for a few such highly-placed persons as the rulers, freemen and clergy), a thousand years ago, was composed largely of penniless serfs, now has been changed into a world of populous nations in which, with the exception of brief periods of money shortages, known as depressions,—about 90 per cent to 98 per cent of all the workers have been so profitably employed that the standard of living of a mechanic to-day is higher than that of a feudal earl in the middle ages.

Any man who has studied the history of the world and of this country, any man who can carry his memory back as far as I can, knows that that statement is absolutely correct. I was rather surprised at certain statements made by the hon. member for North Winnipeg (Mr. Heaps), because as a rule he is very careful in what he says. After asking a question as to what incentive there was for the workingman, such as the man in the railway services, who had given the best years of his life in helping to build up the system in its entirety, he concluded with:

We find, therefore, that these men are thrown into the scrap heap and told to go and shift for themselves, and if they are fortunate enough to reach the age of seventy they will be entitled to five dollars a week.

It was my privilege as a young man to begin my working life in the service of the Canadian Pacific Railway. There is no service anywhere which provides a greater incentive for a man to give his best than the railway service of Canada. Every one of the gentlemen who have been presidents of this railway started at the very bottom. In the first instance, Stephen began by trucking freight from the decks of steamships to the docks in the city of Montreal. Van Horne

started as a messenger boy in a telegraph office in Chicago. Shaughnessy started as an assistant in the stores department in Montreal. After Beatty had completed his law course in Toronto, he acted as assistant solicitor in Toronto, later being transferred to Montreal. Go through the list from Grant Hall, the vice president, down to the trainmaster of any division and you will find men who began at the bottom. The statement is made that these men are thrown upon the scrap heap and no provision made for them. What are the facts? The Canadian Pacific Railway provides—the Canadian National Railways does the same—that it will pay its employees a pension when they reach sixty-five years of age. This is not an old age pension, as is implied by the hon. member. How is that pension worked out? They get one per cent for every year of their service, based on the average of their last ten years' earnings. How does this work out? There are a number of men living in my town who draw pensions. For a sectionman it works out at about $35 per month; a car repairer $45 to $47; a shop machinist, $78 to $80, and a pipe-fitter, $92. There is a retired pipe-fitter who is a neighbour of mine and with whom I go to church every Sunday morning. A locomotive engineer receives a pension of $116, and so on down the line. In the face of these facts attempts are being made to preach to the workingmen in this country, to try to unsettle their minds and make them think that they are not getting a fair chance. Let me repeat that there is not a country under the canopy of heaven where men and women have as great opportunities as they have in this country of Canada.

I should like to refer to some statements made by the hon. member for Macleod (Mr. Coote) in connection with money and credit. He is reported on page 1698 of Hansard as follows:

> There are two kinds of money, one made with a bank ledger and a fountain pen—a kind very easily made and, unfortunately, unmade. There is another kind of money made of high grade paper and with a printing press, and that is the best kind.

The question of money made with high grade paper and the printing press has been pretty well dealt with in the debate as it has so far proceeded. I want to deal with my hon. friend's statement with regard to credit. He has posed in the house and throughout the country as an authority on credit, why credit is restricted and all that sort of thing. Throughout the country and in the house by implication he makes the statement that all a Canadian bank has to do is to write in the ledger an amount of credit to an individual or a corporation, and that is the end of it. It has no further responsibility in the matter. It does not require to provide any assets behind the credit or currency behind the assets. That is the statement made and it is made on public platforms, in my opinion, for the sole purpose of deluding the people, because no one can convince me that there is in the house a man who does not know better than that.

Just in order that I may give a brief answer to this, while I have not perhaps had the experience that my hon. friend has had with credit inside a bank, I have had some little experience with credit outside a bank, being, so to speak, on the outside looking in. For thirty years I have been arranging credits with banks. I have been responsible for carrying on a business that employs as many as two thousand men, and year after year I have been compelled to arrange at times for very substantial credits. What happens when that credit is arranged? The bank, it is true, notifies the branch manager to place a credit to me or to the concern that I represent, for the purpose of doing what? Producing a salable commodity, producing something that can be sold and for which some value can be realized, at least sufficient to liquidate the bank's credit. After that is done, is that all they have to do? What do I do when I receive the credit? Let me tell you what I have done. First of all, I employ a number of men and put them into the woods, producing the wood. I go round the country and buy from the farmers hay, horses, cattle, hogs, meat, butter and everything else that is necessary. I issue cheques against that credit. What do the farmers do when they get those cheques? They go to the bank, get the cash with which they pay their taxes and all their other bills, and the bank must have the cash right there when the cheques are presented, or what will happen? They will have defaulted on the credit which they have guaranteed to me. I do something else. I employ men and at the end of the period when pay day comes, I pay the men in cash or by cheque. What is the bank's position then? They must have the cash on hand to meet those cheques. This is the position: when a bank sets up a credit to me or anybody else on one side of the ledger, it is immediately compelled by the law of this country to have in its vault currency to meet the cheques as they come in on that credit.

Let me give one other illustration. I have a friend, a merchant, who imports goods from foreign countries. He arranges with dealers or manufacturers in the countries from which he imports for a bill of goods; in order that he may be able to do this he goes to the bank and arranges for a credit to carry him along until he can dispose of the goods and get back his money. That is the way in which business is carried on throughout this country and all over the world. What does the bank do? Does the bank just enter a credit and its responsibility end there? No, the day that man buys a bill of exchange to meet those goods, the bank must provide currency at par in the country of origin of those goods. The situation is this, that as regards every credit for which the bank arranges, it must provide currency behind the credit that it has granted. Where does that currency come from? Where do the balances come from that enable the bank to do this? I have heard hon. gentlemen who advocate this new system and the destruction of the banks and this machinery by which modern business can be carried on, say that they are going to confiscate the savings, the funds that are in the banks; as a matter of fact they are going to confiscate the banks themselves. What will they do when their spree is ended and all the money in the banks is gone?

I have heard it said also, if my memory serves me aright, by the hon. member for Macleod (Mr. Coote), that savings deposits play no part whatever in the loans that are effected and the credit granted by banks. I took the trouble to find out what was the position of all the Canadian chartered banks on November 30 last, which is the latest date for which I could get complete returns. I found that the savings deposits of the Canadian people in the chartered banks on that day was $1,378,663,124, and the chartered banks in Canada had granted on that same day to corporations and individuals, commercial companies, merchants and all the people who were carrying on business, farmers and elevator companies for the movement of the grain crop in western Canada, credits to the extent of $1,359,475,190, or within less than $20,000,000 of the total of the savings of the people of this country. That is how the banking business is done, and yet hon. gentlemen will say that all that is necessary for banks to do in order to provide this credit is to take a fountain pen and write the credit on one side of the ledger book. As I have stated, these balances with which the bank does these things, the currency out of which these credits are granted, are the savings of the Canadian people, and these are the savings that are to be confiscated. In addition to taking our homes under this dictatorship, they are to take our savings with them.

I want to give just two illustrations as to what that means, because it primarily affects the very people, the farmers and the workingmen, for whom these hon. gentlemen presume to talk. My constituency is divided into sections, groups of people, farmers in some sections, miners, lumbermen and railroad employees. One section, the Manitoulin district, is almost exclusively a farming community. What is their position? When the first victory loan was floated, it will be recalled that a prize was offered for the county in Ontario that would buy the greatest percentage of victory bonds in proportion to the number of its people. The farmers in the district of Manitoulin went to the savings bank and drew out enough of their savings to buy more bonds in proportion to their number than did the people of any other city or town or municipality in Ontario. I live in a town the population of which is composed wholly of railway employees, working men, thrifty men, a majority of them owning their own homes. Their homes are to be confiscated as well as their savings. When the conversion loan was effected not so very long ago, I took the means of ascertaining what the workingmen in that town had done. They had gone to the bank and drawn out a sufficient amount of their savings to buy more than one-quarter of a million dollars worth of dominion conversion loan bonds. This indicates at once just whence the savings come. It has been stated that the banks buy these bonds; that they take advantage of every issue that the dominion, provincial or municipal authorities put out and that they tie up their money in government and municipal bonds. On November 30, while the Canadian banks had $1,359,475,190 out to the public in commercial loans, they had $551,000,000 only in dominion, provincial and municipal bonds and school debentures, and they had their own capital, $480,000,000, against the bonds they had bought from the dominion. Of necessity the banks must carry a certain volume of government, provincial and municipal bonds. If I am not mistaken, one of our cities in western Canada is now in a state of virtual war with the banks because the banks do not want to take a sufficient proportion of its bonds in relation to the credit they are prepared to give.

Just one other word. The business in which I am engaged, and the men who have been working in it in northern Ontario and Quebec —I am speaking for the section of the country that I know—has been hit harder than any other business in this dominion, even including agriculture, by this depression. Working men and their families have been thrown out of employment entirely because this business has become paralyzed, and yet I could go to the bank to-morrow and get credit if I could give security or any assurance whatever that I could sell the product that these working men produce. It is not a question of lack of credit. There is ample credit in Canada for every legitimate purpose. The trouble in Canada, as in every other country in the world, is that our assets are frozen. Frozen by what? There have been many quotations from a book to which six eminent gentlemen have contributed, known as the Halley Stewart Lecture, 1931. The book has already been extensively quoted in the house, and the quotations have shown clearly that you can quote parts of paragraphs of a book and give them any meaning you like. I should like to mention this point in connection with this book, that these six eminent gentlemen fail entirely to agree as to the remedy for this present depression. They are, however, in substantial agreement as to the main causes of the depression and as to the actual condition in which we now find ourselves.

One of these gentlemen, Sir Basil Blackett, who has been much quoted in this house, says this with regard to credit, and it has to do with the whole subject of inflation which is involved in issuing new money. He says that every period of deflation is caused by a previous period of inflation, and that the greater the heights to which the people were carried by the inflation, the deeper the depths to which they will descend when deflation comes. We are now passing through the deflation period. There was not only the inflation during the war, but inflation also from 1924 to 1929 on a greater scale than this world had ever before witnessed. When we work ourselves through the corresponding deflation period we shall arrive again at something like a prosperous condition.

Sir Arthur Salter in this book has this to say:

> The first thing I wish to remark is that this is obviously, in the fullest sense, a world depression. Its causes, certainly, did not originate in any one country, or indeed in any one continent. Its effects extend over the whole of the habitable world. Here and there folly or misfortune may aggravate the position—

[Mr. Nicholson.]

The folly, for instance, of urging the printing, without anything behind it, of a vast sum of dollars, inflating our currency:

> —but one after another all countries have been brought within the extending circle of disaster. The depression is world-wide in its origins and the range of its effects. And it seems to me perfectly clear, too, that any remedies that can effectively deal with the situation must have a world character as well. No national policy alone can suffice. Concerted policy alone will be adequate for the task.

One other quotation from the same writer:

> Next we need reform in monetary policy. I should like to see gold prices brought back to the level at which they stood in 1929 before the depression began.

I shall not weary the house by reading the whole passage, but that in brief is the position he takes. Again he says, and this brings us to another fad which has been preached to us so often, that of a managed currency:

> A managed currency without a metallic basis is perilous and difficult, but it is not impossible.

True, it is not impossible, and when the millennium comes perhaps we shall have a managed currency, but certainly not while ordinary human mortals are the managers. I asked last year across the floor of the house who was going to manage the currency, and I did not get any polite answer, but it has always worried me who was going to manage the currency, and where the manager was going to be located, whether in the Fiji islands, Borneo, Australia or some other country.

Sir Basil Blackett, contributing to the same book, says:

> There is still a strong tendency to stigmatize all talk about stable money—

Stable money, not inflation; not bank credit set up with a fountain pen, but stable money.

> —as unorthodox, visionary, cranky.

I would ask hon. gentlemen what stable money is in a world as complex as our world is to-day.

Mr. SPEAKMAN: It is certainly not what we have to-day.

Mr. NICHOLSON: Stable currency is a currency which is accepted at par in any country in the world, but you are not going to get it by any effort on the part of ten millions of people in the face of the whole world, simply by starting to issue fiat money or an inflated currency.

Mr. VALLANCE: You certainly have not got stable money now.

Mr. NICHOLSON: Sir Basil Blackett goes on to say:

If I put stable money in the forefront of what is needed for successful national reconstruction, it is because national planning ahead is so difficult as to be almost impossible without reasonable stability of prices.

Mr. SPEAKMAN: Price stability is really stable money.

Mr. NICHOLSON: Price stability will be arrived at when we get stable money throughout the world—then and then only. Hon. gentlemen opposite to my right are always asking for stable money. Sir Basil Blackett says:

With stable money, industry can concentrate anew on bringing down the costs of production.

Sir William Beveridge says:

The third point is that this crisis is a world crisis, a common disaster of all the world. As such, it is a disaster that is only going to be made worse if each nation thinks purely nationally, thinks or acts in a narrow, selfish spirit.

We have heard a great deal about what happened when England went off the gold standard, and England's currency became inflated, as people say. As a matter of fact, England did not go off the gold standard in the sense of voluntarily leaving it. She went off the gold standard simply because she was forced off it.

Mr. VALLANCE: In just the same position as Canada, only Canada won't go off it.

Mr. NICHOLSON: No, she won't as long as we can carry on our business, and as long as we remain sane.

Mr. VALLANCE: Your dollar is fictitious now.

Mr. NICHOLSON: Again, Sir William Beveridge says:

Some people have hailed our going off the gold standard as a means by which we can damage the trade of other people and benefit our own. Going off the gold standard has helped us in certain ways, but it has thrown the trade of the world still more into confusion.

Every step that is taken in that direction to unstabilize currency and world trade makes it just that much more difficult for the nations of the world, Canada included, to get back into the position they were in before. As Sir William Beveridge says:

The small, immediate gain to us on one side has been offset on the other side by loss to the world and to us as in the world.

The trouble is that some hon. gentlemen who in and out of season have demanded that we should broaden our outlook and trade with the world have now come forward with the proposal that we should draw ourselves into our shell and establish a credit and currency system that will be effective and useful in Canada, but of no use whatsoever beyond our shores.

One more word from Sir William Beveridge, and then I shall have finished with quotations from this book:

So I, for my part, come back to seeking a way out of the world's crisis within the frame work of the capitalistic system, by suppressing, through international cooperation, the anarchy of purchasing power—by suppressing the anarchy of purchasing power and keeping and increasing the liberty of production and exchange. That is the way of escape.

The hon. member for Bow River (Mr. Garland) referred to a statement concerning capitalism made in the House of Lords by Lord Marley. In that same speech Lord Marley made statements similar to the one made by the hon. member for Winnipeg North Centre at Port Arthur, that "there is no unemployment in Russia." Another gentleman spoke in the House of Lords—I refer to Lord Snowden, parts of whose speech were quoted this afternoon. In a newspaper article before me he is quoted, in part, as follows:

At such times there have always been those who are proclaiming the collapse of the capitalist system.

Well, the system is not going to end just yet. Some of my socialist friends have never realized the tremendous recuperative power of capitalism.

Some hon. members in this house have never realized the tremendous recuperative power of the individual Canadian who, in his own way, is determined to work out his own destiny and not be subjected to the dictatorship of hon. members opposite. The article continues:

And we shall see ourselves through this crisis, although, mark you, I am not in the least ignoring the importance of changes in—to use the phrase of noble Lords opposite—our plan of national organization and national reconstruction. But I certainly cannot follow the noble Lord, Lord Marley, in going to Russia for an example. The noble Lord said that there are no unemployed in Russia. I do not think he would find many unemployed in Dartmoor jail.

This is the statement of Lord Snowden, the man who has been hailed as the greatest socialist in England. The article continues:

Russia is under a system of industrial conscription. Russia has confiscated all the capital, repudiated all public debts, and yet, starting without any capital liability at all, Russia has ever since been coming to the capitalist countries of the world cap in hand, begging them for export trade and loans.

We have had a recent example of that in Canada, if we can be guided by statements from Serkau and his friends, who have come to us and asked us to buy goods, and pay cash for them.

Mr. VALLANCE: Time is up.

Mr. NICHOLSON: I should like to speak a moment more.

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

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I agree with the hon. member who preceded me that probably the fewer the quotations, the product of other peoples' brains, made by hon. members, the better will be the discussion. This House of Commons is a fairly accurate cross section of the men and women who comprise the population of this broad dominion. It must reflect the moods and desires of those men and women. I believe that individuality may be better shown by accepting responsibility for our own statements than by reading from books the statements of others.

During the course of this debate we have heard the statements of hon. members both to the right and the left of Mr. Speaker who are suffering from the Russian jag. We have to take a realistic viewpoint of what is going on in that country, the forces that brought about the revolution, and the reasons for it, with which the Russian people and no others were thoroughly familiar. That country will work out its own destiny in its own way. May I observe that while in Russia there is poverty amidst scarcity, in this broad dominion there is poverty amidst plenty.

Mr. STEWART (Leeds): Which is better?

Mr. MITCHELL: Some one has asked which is better. I reply that poverty amidst plenty is at least a challenge to our good sense and our leadership.

Mr. ANDERSON (Halton): Is it?

Mr. MITCHELL: I believe it was the hon. member for West York (Mr. Lawson) who made the observation a few evenings ago that this resolution was a challenge to democracy. I believe the challenge to democracy comes from the other side of the house. Certainly democracy would be challenged if the attitude of the men and women in constituencies such as West York were truly reflected by the statements made by their representatives in the House of Commons. Members of the house have been forbidden to speak in the city of Toronto. Then they say that this resolution is a challenge to democracy. We have heard a great deal about freedom of speech. I have fixed opinions along that line; if I had my way there would be a forum in every town and hamlet of Canada in which men and women could express their opinions unfettered by those who disagreed with them. That is a good old British custom. I have before me a clipping which gives an account of a parade of 100,000 people which only a few days ago passed through the city of London and held a meeting concerning unemployment. If they can do that in Great Britain, it is only reasonable that we should be allowed to do it here. I want to say, however, that freedom of speech carries with it responsibilities. I do not believe any individual or group of individuals who preach the overthrow of democractic institutions, as we know them have a right to that freedom of speech. In my judgment it is only logical the democratic institutions should protect themselves from forcible overthrow. There is in my opinion a licence for freedom of speech. I make that observation because the statement is made that labour members are to some extent connected with the Third Internationale. I want to make this perfectly clear, that there is as much difference between the labour movement of this country and the tactics of the Third Internationale as there is between atheism and Christianity.

Mr. BAKER: What is the difference?

Mr. MITCHELL: I think we will all agree that very few know what the future holds for this country, or any other country for that matter. Fundamental changes have to be made to meet the problems that confront us. Within the precincts of this house a man that the Prime Minister of this country admitted was one of the brightest financial minds in the world to-day, Sir Josiah Stamp, made the observation, and members of this house applauded it, that he felt that we shall reach a stage halfway between our system and the Russian system. That is the opinion of a responsible man of the world who at least knows the way he is going.

Some have spoken of confiscation. Good heavens, why talk about confiscation? It is going on all around us. Among the people I pass my life with, their houses and everything they possess is being confiscated at this very moment, through circumstances over which they have absolutely no control. Yet hon. members talk about confiscation. I want

to say this, speaking for myself as an individual and without undertaking to represent the viewpoint of the labour movement of this country, that I am absolutely opposed to confiscation by the state. Any man who would suggest such a thing is not in his right senses, in my judgment.

An hon. MEMBER: Oh, oh.

Mr. MITCHELL: I am looking at you. I believe the changes contemplated by this resolution should be made gradually and through the recognized constitutional channels. I believe they must be founded on conviction and on enlightened public opinion. I would remind you that cooperation or collective effort brought us through the greatest conflict in history, enabled the countries of the commonwealth to emerge successfully from the most destructive war that we know of. That is why I believe that the resolution is not so destructive as implied by some hon. members who have taken part in this debate. The hon. member for West York (Mr. Lawson) who spoke the other evening and said so much about the rights of the individual, I understand is a lawyer by profession—

An hon. MEMBER: That is no crime.

Mr. MITCHELL: Someone says it is no crime. But I want to say this, that the legal profession has developed out of the control of the individual by the state, in the progress of mankind from his lowliest stage up to the present. It deals with the law which controls the individual, defends him, prosecutes him, within the framework of the state. I sincerely believe that social control has made a greater contribution to the life of the people of this and all civilized countries than did the rank individualism that some people would have us drift back to.

I believe this depression has reached the stage at which plain language should be used. I believe that one can love his country and yet use plain language and face facts. Some people think that a kind Providence is going to stick his hands through the clouds and pull the chestnuts out of the fire for us. Gentlemen, it is not done that way. We got ourselves into this difficulty and we have got to think ourselves out of it.

Mr. PRICE: What are you going to do about it?

Mr. MITCHELL: I will come to that in a minute. I am not unmindful of the difficulties that stand in the way of the ultimate realization of the principles enunciated in this resolution. I believe they will have to be met, as other problems in life, by trial and error. I believe that the social and economic forces of this country are subject to change, the same as any biological organism. We have had change since the dawn of history, improvement in social conditions, cultural conditions. More ample educational facilities have been provided. Surely few among those who strenuously opposed this resolution appreciate how far we have progressed from nineteenth century individualism towards the ultimate adoption of the principles enunciated in this resolution. In my judgment public control and regulation as they have developed are all to the good of the body politic. In the province I come from we have the hydro-electric system, one of the greatest examples of practical cooperation one could wish to see, though I may say that it may be wrecked by the private ownership mentality that we have seen displayed recently in the absorption of the assets of the Dominion Power and Transmission Company and the Abitibi Power and Paper Company. Such incidents have the power to destroy the influence of that wonderful undertaking. Then we have the Canadian National Railways, often criticized by hon. members here, but I think you will agree with me that it was taken over by this country because private enterprise completely fell down. We had reached the stage where no money could be made out of it and the child was left on the doorstep of the Canadian people. Personally I still believe that the Canadian National Railways will reflect credit on this country when we return to more normal times.

Then there is the radio, as mentioned by my colleague, the member for North Winnipeg (Mr. Heaps). In medicine again we have a good example of the desire of the individual to make some contribution to the wellbeing of his time, where the incentive is not profit. Think of such men as Mackenzie, Osler, Pasteur, Harvey and Lister: thse men made great contributions to the science in which they were engaged, and they did so without any hope of enormous rewards. I have often thought that if the problems that affect us economically and socially were attacked with the same vigour and with the same high ideals in view, for the uplift of men and women in this dominion, we should soon be out of the trouble in which we find ourselves at the present time. Medicine knows no country; in fact, the profession lays down the principle that any discovery made by one of its members must be passed on for the good of all mankind.

Take the question of public health. Here great strides have been made. Lives have

been saved through the insistence of the state that the scourges that afflict mankind shall be eliminated. There are one or two figures which I would give with regard to my own city, to show the effect of medicine on public health as expressed in a cooperative way in that community. In 1905 the annual death rate was 14·4 per thousand, and in 1932, 9·4; the infant death rate in 1905 was 158·5 per thousand children born alive, and in 1932, 56·7 per thousand. In connection with tuberculosis the death rate in 1905 was 120·9 and in 1932, 43·2, and in 1905 there were 20 deaths from typhoid fever whereas in 1932 there was but one death, and this person was infected while out of the city. Diphtheria has been practically eliminated.

A question has been raised with respect to the constitutional difficulties that confront the country in meeting the problems that have arisen from the depression. I am not unmindful of this but I would point out that it is constitutional difficulties that sometimes kill the individual. I believe that the constitution of this country as embodied in the British North America Act is just as amenable to change as anything else. The fathers of confederation, living as they did in a world where transportation and communication were so much slower than they are to-day, did a remarkably fine job; but if the problems arising in our industrial and agricultural structure in the year 1933 are to be met, I think it is absolutely necesary that the act be amended to cope with many of these problems on a national rather than a provincial basis.

History has taught us that it is best to build on experience and tradition rather than to trust entirely to abstract principles. It is seldom possible to predict what will happen under new conditions. Taking a broad point of view of the difficulties that face us to-day, I am of the opinion that there are two avenues of approach to our problem. We have either to scrap the present industrial system and go back to industry on a smaller scale and more individualism, through pure economics of laissez faire, or we have to plan and utilize our potentialities for the maintenance of the present productivity of the country. In this connection I would quote a passage from the report of the committee which was appointed by President Hoover to deal with social trends. The report states:

> The committee suggests that there might in time emerge a national advisory council, including scientific, educational, governmental, economic (industrial, agricultural, and labour) points of contact, or other appropriate elements, able to contribute to the consideration of the basic social problems of the nation. Such an agency might consider some fundamental questions of the social order, economic, governmental, educational, technical, cultural, always in their interrelation, and in the light of the trends and possibilities of modern science.
>
> It is clear that the type of planning now most urgently required is neither economic planning alone, nor governmental planning alone. The new synthesis must include the scientific, the educational, as well as the economic (including here the industrial and the agricultural) and also the governmental. All these factors are inextricably intertwined in modern life, and it is impossible to make rapid progress under present conditions without drawing them all together. . . . Fully realizing its mission, the committee does not wish to assume an attitude of alarmist irresponsibility, but on the other hand it would be highly negligent to gloss over the stark and bitter realities of the social situation, and to ignore the imminent perils in further advance of our heavy technical machinery over crumbling roads and shaking bridges. There are times when silence is not neutrality, but assent.



The foregoing is from Review of Reviews and World's Work, arising out of the report of the committee appointed by President Hoover, and this is the comment of the reviewer:

> To all those who contributed to the success of the committee's work, and to the committee itself, the volumes will be a lasting credit. Americans may some day have occasion to feel that President Hoover's conception and inauguration of the work marked one of the high-points in his presidential career.

In my judgment, the state must take the lead. We find today that the leaders in finance and industry have fallen down. They are busy handing out advice and at the same time putting on the brakes on any governmental action. I am firmly convinced that so great is the drive of circumstances and events that the impetus to collectivism cannot be checked. Men and women of all schools of thought see the inevitable logic in this; they realize that this must happen if civilization is to be saved. In my opinion the state is the only stable thing left, it must be said in fairness that the state is one of the few institutions which has not gypped the investor. If I may visualize the drift of events, I see the establishment as part of our national life of agencies to direct and plan industrial stabilization, to establish minimum prices, to set up standards of quality, to reform the monetary system and to subordinate credit to industrial needs.

Much was said to-day by the hon. member for Melville (Mr. Motherwell) and the hon. member for Algoma (Mr. Nicholson) in connection with Philip Snowden, now Lord Snowden. He received some measure of praise from both speakers. Looking over my files to-day I came across a copy of the debates in the British House of Commons covering a

discussion almost identical with that now being held in this house. Apparently we are just ten years behind the times, because this debate was held on March 20, 1923. Mr. Snowden moved the following resolution:

> That, in view of the failure of the capitalist system to adequately utilize and organize natural resources and productive power, or provide the necessary standard of life for vast numbers of the population, and believing that the cause of this failure lies in the private ownership and control of the means of production and distribution, this house declares that legislative effort should be directed to the gradual suppression of the capitalist system by an industrial and social order based on the public ownership and democratic control of the instruments of production and distribution.

Mr. HANBURY: That government was in power for years after that and Philip Snowden could have put that resolution into effect.

Mr. MITCHELL: The Liberals had a platform, and so had the Conservatives.

Mr. HANBURY: That government could have put that into effect.

Mr. MITCHELL: I just make that observation in passing. Those who took part in that debate are well known to hon. members of this house. The participants were Sir Alfred Mond, Mr. E. C. Grenfell, Mr. Lloyd George, Mr. Briggs, Mr. Arthur Henderson, and Mr. Ramsay MacDonald, who closed the debate.

A question such as this should be discussed without rancor. I say that because I believe that within the next five years the drift of legislative effort and the functions of parliament will be in the direction of the purport of this resolution. We cannot go back, the nineteeth century has passed with all its practices. This House of Commons, not necessarily this government, in meeting the problems arising out of mass production and agriculture and industry, will move in the direction of the purport of this resolution. I am not one of those who says that this can be done in a day; I am not one of those who go out and kid the people that that can happen. In 1930 we saw the spectacle of what happened when claims were made that certain things would happen if a certain government was returned to power. I believe we must take an evolutionary course. There are those who say that this civilization will crumble around us, but I want to make this observation: We differ fundamentally from such earlier civilizations as those of Greece, Rome and Carthage, which were built upon the sufferings of the great proportion of the population of those days. We have built up a magnificent educational system and that I believe will be the driving force which will insist that the legislators of this country meet the problem of today, that the machine be controlled instead of permitting the machine to control us. It is even within the realm of possibility that the present government will take some steps in the direction we suggest before it again goes to the people.

Mr. A. U. G. BURY (East Edmonton): Mr. Speaker, I am sure hon. members will have observed with a great deal of pleasure that the hon. member who last spoke, the member for East Hamilton (Mr. Mitchell) is not proposing to support this resolution. As the hon. member for East Algoma (Mr. Nicholson) pointed out, the resolution reads:

> That, in the opinion of this house, the government should immediately take measures looking to the setting up of a cooperative commonwealth—

The hon. member who has just spoken evidently is not prepared to endorse the resolution to this extent; the greatest length to which he is prepared to go is to move gradually in that ultimate direction. The house no doubt also noticed that the hon. member, commencing his remarks by criticizing the hon. member for East Algoma for reading the opinions of eminent economists, ended them by himself reading a long screed from the Review of Reviews.

As a preface to what I wish to say upon the motion, may I assure the hon. member for Winnipeg North Centre (Mr. Woodsworth), who is responsible for the motion, that if I refer to his organization by its initials, C. C. F., rather than by its full and formal name of Cooperative Commonwealth Federation, it is not because I wish to disparage in any way the organization, its founder or its supporters, but because the name is so fearfully and wonderfully made that I distrust my memory. I am rather reminded of the child who was christened by its proud and fond parents, under the impression of a tremendous destiny lying in front of it, with the name Sampson Agonistes Smith. No child could possibly survive that name, especially if, as afterwards happened, a bad attack of rickets left him in the position where the mode of his progress was that the right leg had to say to the left, "You let me go by this time and I will let you get by next." Of such an infant the only anticipations any of us could possibly form would be gloomy forebodings of his early demise.

The resolution which the hon. member and his supporters are urging the house and the country to endorse, appears to me to be in essence a conclusion that must depend for

its validity upon two premises. The first is that our present social structure and economic and financial system have so completely collapsed that even if we could restore them, we should not attempt to do so. The second premise is that the new organization, the C. C. F., is capable of doing what the old system failed to do, extracting us from our present situation and insuring us against its recurrence at any future time.

These are two rather extravagant statements to make; but they are the two premisses that are essential to the conclusion of the resolution and both of them must be proved. If the present system has not broken down, then there is no need for us to look for a substitute. If, on the other hand, it has broken down, but the proposed substitute is not able to do any better, then wherever else we may look for a substitute, it will not be in the southeast corner of this chamber. Therefore I disagree with my hon. friend, the member for Wetaskiwin (Mr. Irvine), eloquent and plausible as he is, in his assertion that it was the present system and not the C.C.F. that was on trial. He kept reiterating that statement so often, that the only impression he left upon me was that he was trying to convince himself of its truth. "We are not on trial," he said, "it is the present system which is on trial." That might be true if the sole aim of those who are urging this resolution on the house were to displace the existing system. But they know they cannot stop there; they cannot leave us with a vacuum. We have not yet arrived at the splendid isolation of the position of that mythical Ford car which was able after dropping its engine on the road still to keep running on its reputation. We have apparently, according to hon. gentlemen in the southeast corner, no reputation to run on. They are not merely attempting to displace the present system. What they are really attempting to do is to substitute their system for the present one. Under those circumstances, surely the onus rests upon them of proving the validity, worth and efficacy of the system which they wish us to adopt.

They are not merely dethroning Charles I and then executing him to prevent the possibility of a monarchical reaction placing him back again on his empty throne, but putting a commonwealth in his place. I may remind my hon. friends that the commonwealth which followed Charles I did not last very long. It lasted practically just the length of the lifetime of one man; and it lasted that long only because he, the man who founded, headed and governed it, was one of the greatest men of his day in England and raised the prestige, name and power of England among the nations of the earth, and yet a man of such broad vision that, despite his theological views, he was able, without any idea of irreverence, to write to the Assembly of the Scottish Presbyterian Church: "I beseech you in the bowels of Christ to think it possible you may be mistaken." The hon. gentlemen come to us really with the suggestion that we should throw out the water we now have because it is dirty and inadequate, and they resent our saying to them: Before we do that, will you please prove to us that the water you wish us to take in its stead is any cleaner or more adequate. We certainly refuse to throw out the water we have, even though it be dirty and inadequate, until we know we are going to get in its place something better.

I have listened to some of the speeches that have been made in support of this resolution and have read others of them, and I have yet failed to hear or to read from statements made either inside or outside the house, any real evidence of the truth of either of those two premisses. I invite the house to consider them for a few minutes. Previous speakers and others who will follow me will deal with other aspects of the question, will examine the structure and the principles of the proposed commonwealth with a view to criticizing them and showing their inadequacy, or will deal with other aspects of the subject. I do not propose to take that course; I propose to follow one specific line of thought and to confine myself to it, that namely, suggested by what I have said, that before this house should be persuaded to make any change in the way of the suggested substitution, it should have proved to itself beyond any reasonable doubt the two premises which I have mentioned.

Let us take the first of them: that the present system has so collapsed that it is incapable of functioning, and that even if we could restore it, we should not do so. Is that true? Well, it is certainly true relatively. I am not going to deny that. Indeed, none of us would deny it. Not that we are opposed to admitting what we know to be true, but we regret that it is true. I have been rather wearied in listening to some of the speeches that have come from the southeast corner of the house, and particularly to the reiterated suggestion of the hon. member for Southeast Grey (Miss Macphail) and her perpetual question: "I wonder, do hon. gentlemen opposite realize?" Well, we do realize. I can assure my hon. friends and the lady member for Southeast Grey that neither has she nor have they a corner on the powers of observation or of intellect or of the faculty of sympathy. We both observe and under-

stand, appreciate and sympathize with those who are suffering in the present situation. Indeed, some of us think we understand a good deal more about it than do some hon. members who are so careful and anxious that we should properly appreciate the situation. We have seen the suffering which it has induced and continued, not in rural districts where that suffering is least, but where it is worst, in the hearts of some of our cities. We know all that the farming community of this country is suffering; we do not deny they are suffering and we do not deny them sympathy in their suffering and the expression of a determination to do whatever lies in our power to mitigate it. But we say: If you want to find the greatest degrees and the most desperate forms of suffering, you will find them not in the country parts of this dominion, but in the hearts of our cities. The first proposition is relatively true and nobody on this side of the house attempts to deny that; as a matter of fact, nobody anywhere in the house or of any party attempts to deny it. But is an admission of the present situation, deplorable as it is, tantamount to admitting that the present system is responsible for it? I am prepared to go the length of denying that the admission of the existence of the situation implies any responsibility for it of the present financial or economic system of this country or of our present social system. Its causes are of a nature vastly different. Even were I to go further and admit that our present economic and financial system is incapable of extricating us from the present situation and putting us again upon normal lines, that would not be an admission that it was responsible for the present situation. You are proposing to scrap a system which has been built up through generations and centuries, not from the motive of greed, as suggested by some who are constitutionally misanthropic, or by others who have become misanthropic by reason of the hard conditions through which we are passing, but which has been evolved scientifically with a view to elaborating a system that shall be in the best interests of the world as a whole; which through centuries has built up the civilizations of all civilized countries of the world, and which has drawn together the four corners of the earth by the trade facilities which it has afforded as well as by the facilities for social intercourse which it has made possible. And by reason of the influence which it has had on the devolopment of trade and social intercourse it has bred, perhaps more than any other factor, a sense of the solidarity of the human race and of the oneness of the human family, which is the greatest asset we possess.

Now it is proposed to scrap all that. Why? Because it has broken down lamentably. Surely it is a pertinent question to ask, why has it broken down? Surely you are not going to scrap it without asking and answering that question to your satisfaction. Has it broken down by reason of inherent defects which render it incapable of functioning under normal conditions and in normal times? Has it proved itself under normal situations unable to fulfil the purpose for which it was designed? Or has it broken down because suddenly it was brought face to face with abnormal conditions, conditions so abnormal that the mind of man never conceived that they could possibly exist? Has it broken down because a strain and burden was imposed on it which no system ever before in the world's history was asked to bear? If that is the explanation, then, Mr. Speaker, we are all astray when we attempt to put upon it the responsibility which hon. members who are behind this resolution seek to place there. It has broken down by reason of an abnormal strain that no system ever devised or that could be devised ever could have stood, the strain which has followed as a result and aftermath of the war. For four years the civilized nations of the world were blasting into nothing gigantic masses of wealth, and not merely destroying that wealth itself, but in its destruction destroying also other forms of wealth; and by the end of the war period there had been heaped up huge, almost inconceivable burdens of international debt on every civilized nation that was imbroiled in that war directly or indirectly. Our financial and economic system had to meet that strain, and in every country in the world it broke down. The great creditor nation to whom was owed a sum which is only a matter of figures on paper, because nobody can conceive of it in his mind, refused to accept anything but gold, and there was not enough gold in all the treasuries of the world to pay that debt. It refused to take goods in payment, and under those circumstances the system broken down. Is it any wonder that it broke down? Is not the marvel rather that it did not break down long before it did, and that the collapse was not more complete and more disastrous than it actually has been?

Let me use a homely illustration. Suppose one of my farmer friends wishes to break part of his farm which had never been broken before. He purchases a tractor and a gang-

plough. I go to him when he is commencing to operate, and I find him beside the tractor and the gangplough using language which he would not wish his parson or his wife to hear—his parson particularly, because his wife probably would be more used to it. I ask him, "What is the trouble?" He replies, "See for yourself. There are the tractor and the gangplough broken down, and I put nearly $2,000 into this outfit. Just when I started to break the ground, the machinery broke down." I reply to him, "I do not wonder it broke down. What did you think you were ploughing? This is not just ordinary prairie land with a few prairie boulders, which your tractor and plough can uproot and roll to one side. What you are asking your machinery to do is to plough through the granite ribs of the earth itself. You cannot do it. If you will stop blasting the tractor and the gangplough and the implement dealer and start to blast the rocks, you will be a little nearer the mark. What you need is not a tractor and a gangplough, but dynamite."

That has been the whole trouble with the financial and economic situation not merely of Canada but of all the countries of the world with which Canada economically is inextricably bound. We have been trying to make the system do what it was never designed to do, and it has broken down in our attempting to do so.

Let me look at the other proposition of the Cooperative Commonwealth Federation. That proposition is that it is capable of extricating us from the present situation and ensuring us against its recurrence at any future time. Both of those propositions must necessarily be proved. If the cooperative commonwealth is not capable of extricating us from the present situation, it is no good; and if after we have been extricated from the present situation, assuming that that happy condition it attained, if we cannot be assured that the same unfortunate situation will not arise again in the future, again it is no good. Therefore I say that both propositions must be proved. Are they true?

In order to ascertain how far these two propositions are true, you will have to look at the causes which created and are continuing the present condition. What are they? They are too many for me to enumerate them all, and they are too intricate and involved. I shall confine myself to the three major ones.

The first, as I have already mentioned, are the enormous war debts. Nobody denies that, nobody perhaps except a few gentlemen in the southeast corner of the house. The whole of the rest of the world admits that these are the basic cause of our present situation. Well, how is the adoption by the Dominion of Canada of the Cooperative Commonwealth Federation going to help here? There are only three solutions to the war debt problem. One is complete cancellation; another is the reduction of the war debts and the payment of the reduced sum; and the third is payment in full. Suppose the Canadian parliament and the Canadian people adopt the C.C.F. and place it in power; would that influence the United States one little bit to cancel the war debts? Suppose that Canada adopts this resolution, not merely in this house, but that the whole country rises up and calls the hon. member for Winnipeg North Centre blessed, what is going to happen in respect of the reduction of war debt payments? Do they think the United States will reduce her war debts any quicker on that account? Take the third case—payment in full. Will the adoption by Canada of the Cooperative Commonwealth Federation help the other countries of the world to get rid of this terrible load of debt from which they are suffering? Will it induce the United States to take goods instead of gold? I have only to ask that question to receive the answer, if not from the lips, at least in the minds of hon. members. Everybody knows that, just as stated in the citation read by the hon. member for East Algoma, these conditions are worldwide, and cannot be altered by a change in the domestic structure of any one country. To suggest that they can is absurd. If that be true, how much farther would we have gone towards the real solution of our difficulties or the real removal of the basic troubles from which the nations of the world are suffering to-day? Not one inch.

What is the second cause of our trouble? In my view it is the growth and elevation of tariffs and quotas which resulted in large part as an aftermath of the war. Nations which through generations had been struggling for nationality at last achieved their objective or were granted it as a result of the victory of the allies over the central European powers. Consequent upon the intense spirit of nationalism which burst into flame as a result of the victory of the allies and the espousal of their cause by the victors, not merely did these new nations build up barriers of trade and enact their quotas to make themselves economically independent and become robust and industrialized, but the older nations of Europe—Germany, France and Italy—determined also, by reason of the influence and the

lessons of the war, to become economically independent, at least in some lines of industry. They built up their tariffs and made statutory their quotas.

Then apart from any influence of the war, other nations developed their tariffs; particularly our great neighbour to the south, whose policy has always been one of high tariffs, and who from the introduction of the Hawley-Smoot tariff in June 1930 showed how far she was prepared to go in that direction. Do hon. members realize that returns indicate that as a result of and since the operation of the Hawley-Smoot tariff the trade of Canada has decreased $900,000,000? Can we suffer such a decrease and still expect to continue on an even keel, without disruption and a disturbance of the equilibrium of our financial and economic structures? It is utterly impossible.

Mr. RALSTON: Will the hon. gentleman tell us how much loss there has been in the trade of the United States since the introduction of that tariff?

Mr. GOTT: It has dropped 67 per cent.

Mr. BURY: I intended to state that my figure of $900,000,000 was not confined to one year, but represented the loss over a period of years.

Mr. RALSTON: The hon. gentleman did not get—

Mr. BURY: I must ask the hon. member to allow me to finish my remarks without interruption, as I have only forty minutes at my disposal. I do not care whether the figures of our trade losses due to tariffs are with one country or with several, or amount to $900,000,000, $800,000,000 or $700,000,000. I simply ask: How could this country stand that loss? If hon. members would like to have some figures, I may tell them that in wheat alone, in a period of three years our income depreciated by $677,549,715. I think that justifies my statement that depreciation in trade is one of the major reasons for the financial condition in which this country finds itself to-day.

Will some hon. member tell me how the adoption of the platform of the Cooperative Commonwealth Federation is going to affect favourably to us the fiscal policies of any foreign nation on the face of the earth? Will it induce the United States to lower her tariffs against Canadian goods? Will it induce France, Germany or Italy or any of the other nations of Europe to make changes in their fiscal policies or to sweep away or reduce their quotas? Everybody knows it will not. Then, what good can the C.C.F. do us in this respect?

What is the third cause operating to create and continue present conditions? I think it is the operation of our old friend, the law of supply and demand in overstocked markets. I am not going to argue between overproduction and underconsumption; one is but the obverse of the other. I do not care which term hon. members prefer. One fact remains true, that because of overstocked markets and the operation of the law of supply and demand we are not getting the prices we ought to get for our products. To-day we are suffering from two things, lack of adequate markets and lack of adequate prices. If we could supply those two deficiencies we could politely bow the C.C.F. out of the doors of this chamber. We would not need to listen to its advocates, charm they never so wisely. The farmers of this country would not feel they needed it, and would not touch it with a forty-foot pole.

Briefly, let me survey the statement of our wheat carry-over. By one authority I find that the world carry-over is 800,000,000 bushels; by another, namely the United Grain Growers, 699,000,000 bushels. The bureau of statistics gives the figure of 632,000,000 bushels. I do not care whether it is 600, 700, or 800 million bushels. The fact remains that the carry-over has had an effect on the price of wheat. I am not a farmer. Hon. members will say, "what in the world do you know about it?" I shall read the opinions of two authorities, notwithstanding the criticism of the hon. member for East Hamilton. I have in my hand a publication of the Searle Grain Company, Limited, which contains an article headed "The Searle Farmers' Index." While some hon. members may not accept this authority, I am prepared to back it up by an authority they may be more disposed to accept. In this publication I find the sentence: "In course of time, as the burdensome surplus disappears, the price of wheat will certainly rise." So, it would appear that there is at present a burdensome surplus which under the law of supply and demand affects the price of wheat. I now turn to a very interesting booklet called The Grain Market Situation, published by The United Grain Growers Limited, from which I read the following:

> Roughly speaking, the world carry-over is larger than comfortable by from 300,000,000 to 350,000,000 bushels. This excess is less than ten per cent of the annual production and consumption of the great producing and consuming countries of the world and may be considered as the approximate equivalent of a month's consumption in countries outside of Russia and China. It does not seem remarkably large in relation to the possible variation in world production from year to year, but it is large enough to have a very important effect upon prices. And its location is also of importance.

I ask again for the third time,—not with any hope of receiving a practical answer—what in the world will the adoption by the Canadian people of the Cooperative Commonwealth Federation do to affect the stock of wheat in the world, to raise the price of wheat, to prevent the carry-over being excessive? What in the world will the adoption of a domestic policy of this nature in Canada do to improve the world's market for wheat or for any other commodity? Again I come back to the same truth; world conditions can never be altered or influenced by the domestic policy of one nation of ten million people.

What about the other proposition? If the Cooperative Commonwealth Federation cannot deliver us from the present awkward situation, can it guarantee that we shall not get into it again? Surely the same answer applies. If it was world causes that created the present situation, how can the domestic policy of Canada stop the operation of the same world causes in the future?

Or put it in another way. Assume that Great Britain and the countries of the empire had adopted the cooperative federation in 1912 and that we were now in August, 1914, what would have happened? If we had gone to war—but hon. gentlemen in the corner may say we should not then have gone to war. There they and I differ, and we shall differ to the day of judgment. I am not arguing with people who say Great Britain should not have gone to war to honour her pledged word. I say if we had gone to war—and I am perfectly certain that the masses of the people of Great Britain and every part of the British Empire would again endorse the action that was taken in 1914—if we had gone to war what would have happened? Precisely what did happen then; the enormous purchases of war material, the accumulation of gigantic war debts, the enormous demand for reparations. The cooperative federation would not have helped us one little bit. The same conditions would have occurred as did occur between 1914 and 1918.

Is there, then, nothing that this country and this parliament can do? I am not a pessimist and I am not a fatalist; I do not believe in a policy of laissez-faire or drift or muddling through. I think there are things this parliament can do. But I think those things are along two lines. There are two instruments or forces that this and every civilized parliament always has had, always will have; two instruments or forces by which progressive legislation has always been worked out. Those are the forces of legislation and morality, the only two forces that will ever get a nation out of a predicament such as this—social legislation, wise social legislation, informed, influenced and inspired by high morality.

I am not afraid of social legislation; I am not afraid of the word socialism even. I am not the slave of a word. But I want to know what is behind the word. I want to know what you mean by socialism. The hon. member for Labelle (Mr. Bourassa), with his usual eloquence, made a very true statement the other day as to the attitude and history of Great Britain, especially England, on social legislation. If I may say, with deference to him, his statement was absolutely correct. The most shining examples of social legislation that stand on the statute books of England to-day were put there by Conservative governments. Mr. Sidebotham, in his Political Profiles of British Public Men, writes of Herbert Spencer that he "used to call socialism the new Toryism because both accepted the theory of the omnipotent state."

Let me give you an illustration of social legislation from the history of my own land. The great social problem that faced my country for years was the land problem. Two solutions were suggested. One was the Liberal solution, represented by the policy of that grand old statesman, Right Hon. W. E. Gladstone, the policy of continuing the relationship of landlord and tenant and merely giving the tenant three things, what they called the three F's: fair rent, fixity of tenure, and free sale. The tenants would have remained tenants forever and the landlords, landlords forever. Then came the Conservative government, and with the Ashbourne Act of 1885 said: No, that is not good enough; we will buy out the landlords and make the peasants of Ireland the proprietors of their own holdings. And the great Ashbourne and Wyndham and other land purchase acts followed, purchasing the lands of Ireland on the credit of the British government for the people of Ireland, at a cost of probably 180 millions sterling, the greatest social land legislation that stands on the statute books of any nation on the face of the earth.

We believe that the state exists for the individual, not the individual for the state. We have no fear of social legislation. We have a long way yet to go, but we have come a long way. I was glad of the reference made by one hon. member bidding us, in effect, to have a long vision, not to look merely under our own feet but to look back at the road we have travelled, the development and evolution of the social legislation of the past. We will

go on as we have in the past until the reign of righteousness and justice and social equity prevails in this great dominion.

Mr. CAMERSON R. McINTOSH (North Battleford): Mr. Speaker, the hon. member for East Hamilton (Mr. Mitchell) stated that the House of Commons affords a good cross-section of Canadian public opinion. Since that is the case we ought to be able as members of this chamber to debate the problems of the nation in an honourable way. I think the statement a very laudable one, but I believe on the whole it is not necessary to make such a statement in this house, for I have been in different parliaments of the empire and I say that I believe we have in Canada one of the most democratic parliaments in the world.

To debate a public question in the house or out of the house it is said one must pay attention to three fundamentals. One is that we must not lose our head. Sometimes hon. members do. Another fundamental is that a man ought to know what he is talking about. Psychology says: Man, know thyself. Knowledge is power. And lastly we are told that we ought to be able to think while on our feet. Now I believe that the majority of members in this house measure up splendidly to these three outstanding requisites of public speaking.

Listening to-night to the hon. member for East Edmonton (Mr. Bury) I am not sure whether I got his point of view exactly. I got the point of view of the hon. member who sits behind the Prime Minister of Canada—I have heard him speaking in this house since 1926 and I pay attention to what he says—I got this point of view, that the economic and industrial and political order as it exists to-day in Canada is practically collapsing. I do not believe any such thing. It almost borders, if it does not actually border, on insane socialism. Now that is not a fact. I believe that the Canadian people have all kinds of reserves, mentally and volitionally, to make a comprehensive and successful attack on the problems that confront this dominion to-day, and I believe that when they get down to cooperative and thoughtful action they will be able to make such a frontal attack on our problems that to a large degree they will be solved, and our social and political order will remain intact. That is the conviction I have, and when I hear hon. members in this chamber telling anything else it reminds me of a happening of the Civil war in the United States—

An hon. MEMBER: Are you that old?

Mr. McINTOSH: No, are you? For the benefit of the hon. member I will say that the incident I am about to relate is part of continental history, and I hope he will take that for granted. When things were black for the north, when the south was moving forward to victory, as many people thought, and when the fear seemed to dominate the American nation that slavery would be enthroned and the rights of humanity lost, deluged in blood, what did the great Lincoln say? Did he get up before the American nation and as a great leader declare that all was lost, everything was undone, and that stark defeat looked the people straight in the face? No. Lincoln showed himself to be a great leader, and if ever there was a time in the history of Canada now is that time when we ought to show that we have equally great leaders in political thought and also, outside the House of Commons, fearless leaders of the Canadian nation. Lincoln did not say that everything was lost; he took it for granted that God was in His heaven and that all would finally right itself in the world. He acted on that belief and the day was won for the north, so that slavery was abolished and the right of man to hold property in man destroyed forever. I have no doubt that with the right type of leadership Canada can be led out of this threatening morass and put on her feet, and if she is I know that she can go forward, rejoicing in the days to come.

I listened carefully to the arguments of my hon. friend from East Hamilton (Mr. Mitchell), and I may say that I think a good deal of that hon. member. I like to think well of every hon. member in this chamber. I like every hon. member to play the game, and if he plays the game honourably with me I will play the game with him. If, however, as members, we differ in certain lines of thought, that should make no difference, for we are working for the upbuilding of a greater Canada. But what did that hon. gentleman say? He said that the forces productive of revolution in Russia was Russia's own business. I hardly think that is correct. That is not Russia's own business. Directly, it is true, but indirectly it is not. No nation can live unto itself. That is the foundation to a large extent of our economic nationalism to-day, which is fundamentally wrong and which has put the world almost on the road to ruin. That is the same foundation of empire nationalism in an economic sense, and that too is just as unsound as economic nationalism. Consequently, when Russia undertakes

a great social and political experiment, I think the other nations of the world have a perfect right to size up that experiment and discuss it from every angle, national as well as international. So that if Russia has been brought into this debate I do not think it is the fault of hon. members opposite, and I am sure it is not the fault of hon. members composing the Liberal opposition. In my opinion the responsibility must be placed entirely on those who sit in the southeast corner of this house, the members making up what is known as an economic class group. Therefore, I place the responsibility for that type of argument where it belongs, and I do it right now because, inasmuch as it has to be done in any event, it might as well be done in the House of Commons.

The hon. member also said that unemployment is a challenge to democracy. We all admit that it is and, as I have said, democracy accepts the challenge. Canadian democracy accepts the challenge, and if we cannot get from one party that leadership which will face that challenge squarely and put an end to unemployment, then the people will certainly get it from another party. The hon. gentleman said further that free speech should be an accepted fact. Well, you cannot have real democracy without freedom of speech, freedom of discussion and freedom of the press. But to have freedom of thought is not to have revolutionary thought; it is not to have revolutionary objectives nor revolutionary sentiments. So far as I am concerned, I am ready to stand up for freedom of thought in Canada, but I am the last to admit that there is any saving element in Russia that can tell me anything about freedom. No one can tell me that we can get any greater freedom of thought than we have by looking to Russia. Our fathers handed down to us that precious heritage and we do not have to go to Russia to find it. We had it long ago, and the Liberals of Canada did their part in gaining it.

In concluding his speech the hon. member for East Hamilton said he believed in state leadership, state control of certain activities, and then he referred to what he described as "rank individualism." I am going to deal with this so-called rank individualism before I am through. I shall not have time to develop my argument along the line of sound individualism as completely as I would like, but I am going to discuss the question nevertheless, and I am not going to classify individualism in the way the hon. member for East Hamilton classified it. I am not going to cast a slur on individualism by speaking of it as rank individualism, but I am going to uphold sound individualism as the foundation of a sound state. It is not rank individualism but essential individualism that is required for any ideal democracy. As far as the Liberal party is concerned—I am not speaking for hon. members opposite—I think that as a whole we sympathize with these gentlemen. They have certain grievances, they see certain fundamental weaknesses in our government, in our industries and in our social order but although we sympathize with them in a way, we differ entirely in the matter of mapping out an objective and the manner of reaching that objective thereby removing these grievances from the minds of the people of Canada. We differ entirely in that way. We sympathize with them, as we should, but since they have gone out and have dared us to political battle—they are organizing in Saskatchewan, Manitoba and Alberta—since they have told the country at large that they are not going to cooperate either federally or provincially with the wicked Grits or with the Conservatives; since they have challenged the Liberals and the Conservatives of Canada to political battle upon great national issues, as far as I am concerned, I am going to accept that challenge. I did it before and I intend to do it again.

The resolution moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) is in three divisions. In the first part he says that the existing economic arrangement is responsible for unemployment. We have had unemployment since the world began and I guess we will have a large degree of unemployment until the world ends. I am the last to say that if you have unemployment you must place the blame absolutely upon the economic order. Standing as I do for a practical and ideal individualism, where any failure occurs, such as unemployment or anything else, I must place at least part of the blame upon the individual as an answerable entity. It may be all right to place some of the blame upon the economic order, but the mover and supporters of the resolution place the whole blame upon that order. We know why they do this; it is an extraneous and selfish effort to get into power. They do not tell the people of Canada exactly why they make that statement. No. Unemployment is not a new phenomenon; the responsibility for this unemployment condition has many angles.

In the second part of his resolution the hon. member states that the depression at home and abroad indicates that our social and economic order is fundamentally unsound, and he then goes on to argue what ought to be done. That is only a worthless and purely fictitious statement, it does not prove that

our economic order is fundamentally unsound. If things are wrong in Canada, before we place the responsibility upon any order, political, economic or financial, we must go back and place the responsibility primarily upon the voters who brought such a structure nationally into being. The order is not to blame. If there is any blame to be attached to anyone, the people of Canada must accept responsibility for the social, economic and political edifice erected in this country. They have been building this structure since confederation; they have been building up the Canadian nation and if things are not as they ought to be, then I say that the responsibility is largely upon the people. The cure is not to demolish our order overnight. Rather should men and parties go out and direct the people, inspire them to truer electoral decisions, help them get their mental machinery oiled and working more thoroughly so that when the day of voting rolls around, apart from any party our people as a whole, those in the maritimes, in industrial Canada, in the west and across the mountains, will render a verdict that will make this economic and political system more sound and more capable of meeting the strain it has to bear.

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

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

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## Friday, February 10, 1933

The house met at three o'clock.

### VACANCY

Mr. SPEAKER: I have the honour to inform the house that I received a communication from two members notifying me that the following vacancy has occurred in the representation, viz:

Of Milton Neil Campbell, member for the electoral district of Mackenzie, consequent upon the acceptance of an appointment to the tariff board.

I accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

### PRIVATE BILL

FIRST READING

Bill No. 23, respecting the Saint Nicholas Mutual Benefit Association and to change its name to "Ukrainian Mutual Benefit Association of St. Nicholas of Canada."—Mr. Luchkovich.

### TRADE AGREEMENT WITH UNITED STATES

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I move, seconded by the hon. member for Prince (Mr. MacLean) that the following motion having been called twice and not proceeded with, be restored to the order paper:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

Motion agreed to.

### POTATO EMBARGO

On the orders of the day.

Mr. B. F. SMITH (Victoria-Carleton): Mr. Speaker, I should like to ask the Minister of Agriculture whether any information has been given to the government with respect to the embargo against Canadian potatoes?

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, the hon. member for Victoria-Carleton gave notice of this question, and in reply I believe I could not do better than to read a communication I received from the Minister of Agriculture and Fisheries of the United Kingdom. It is as follows:

Ministry of Agriculture and Fisheries,
10 Whitehall Place, S.W. 1.

January 27, 1933.

Dear Mr. Weir,—

You will, of course, remember that in accordance with a promise made to you by my predecessor, Sir John Gilmour, Mr. J. C. F. Fryer, director of the ministry's plant pathological Laboratory, visited Canada last October, in connection with the Colorado beetle question.

Before I come to the subject of his investigations I should like to express to you, and through you to all those with whom he came in contact during his tour, my sincerest thanks for the cordial reception accorded to him, and the ungrudging assistance in every direction which he received throughout his visit.

I have now gone into the matter with him with the greatest interest and care. I was greatly impressed by his account of the keenness and efficiency of the staff of your department, and of the precautions which they are prepared to take against the risk of the transmission of the Colorado beetle with potatoes consigned from the dominion. I do not doubt that the measures proposed or contemplated would be likely to reduce that danger very materially, but nevertheless I am forced to the conclusion that we cannot take the risk involved by accepting potatoes from any region where the Colorado

beetle is known to exist. I can only ask you to believe that it is with very real regret and after the most anxious thought that I have arrived at the decision that the prohibition cannot be removed and I hope that you will appreciate that it is the only policy that I can pursue consistently with my responsibilities in connection with plant pests and diseases. It is a generally recognized policy that has been consistently followed by my predecessors in regard to all countries where the beetle exists and, much as I should like to, I cannot see my way to make an exception even in your case.

Mr. Fryer has also reported to me the measures which you contemplate in order to prevent the export to this country of apples infested with the apple fruit fly. Much to our pleasure, it has not so far been necessary for us to place any restrictions on apples imported from the dominion. The discovery of an infested consignment last October, was, we hope, only an isolated case; and after considering Mr. Fryer's account of the steps you are taking, I have decided that it will not be necessary to impose any restrictions during the 1933 season unless the sampling of consignments on arrival in this country reveals the presence of the pest.

Yours very truly,

Walter Elliot.

Mr. A. E. MacLEAN (Prince): Is that the answer to an order for a return?

Mr. WEIR (Melfort): It is my understanding that papers are being prepared for the return.

## SUPREME COURT OF NOVA SCOTIA

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): May I call the attention of the government to the fact that for many months a vacancy has existed on the supreme court bench of Nova Scotia. I understand there is considerable congestion in the court, due to the shortage of judges and to illness, and that the public service is being impaired. I would ask the Minister of Justice (Mr. Guthrie) when we may expect announcement of an appointment to fill this vacancy.

Hon. HUGH GUTHRIE (Minister of Justice): I think I can assure my hon. friend that an appointment will be made to fill this vacancy in the very near future.

## HIGH COMMISSIONER FOR CANADA

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I desire to direct a question to the acting leader of the government in the absence of the Prime Minister. For the last two weeks, in the press of the United Kingdom and also in Canada, especially the Toronto Globe, is featured an apparent conflict between the High Commissioner and the Prime Minister. I would like to ask the acting leader of the government whether, if the High Commissioner has disobeyed orders from his chief, he will be recalled?

Mr. SPEAKER: The question is frivolous and should not be answered.

Mr. SANDERSON: On a point of order—

Mr. SPEAKER: I ask the hon. member to keep order; we are not going to argue about it; I have ruled that his remarks are out of order.

Mr. SANDERSON: On a point of order —

Mr. SPEAKER: There is no point of order involved.

Mr. SANDERSON: But, Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. SANDERSON: It is a question of privilege.

Mr. SPEAKER: There is no question of privilege involved at all.

Mr. SANDERSON: If Your Honour will permit me, the acting leader of the government was on his feet to answer my question.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: That makes no difference whatever.

## DEPORTATIONS

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, yesterday I asked the government a question with respect to some rumoured deportation cases. The Minister of Justice kindly said he would draw it to the attention of the immigration department. Inasmuch as it is rumoured that these deportations are to take place in a few days, I think we ought to have some information.

Hon. HUGH GUTHRIE (Minister of Justice): I regret that owing to the illness of the acting Minister of Immigration (Mr. Gordon) I have not been able to communicate with him, but I will try to do so before the next sitting of the house and let my hon. friend know.

Mr. HEENAN: In view of the illness of the minister, will the Minister of Justice undertake on behalf of the government that these deportations will not be effected?

Mr. GUTHRIE: No, I will not give any such undertaking.

Mr. HEENAN: If the acting Minister of Immigration remains ill—

Mr. SPEAKER: Order.

## AIRPLANE LANDING FIELDS

On the orders of the day:

Mr. J. A. BRADETTE (North Temiskaming): I would like to ask a question of the Minister of National Defence (Mr. Sutherland). During the preliminary session the government made a statement to the effect that landing fields for airplanes would be constructed throughout Canada. We received that announcement with great joy in northern Ontario, but so far I am notified that no work has been done. May I ask what is the intention of the government in this matter?

Hon. D. M. SUTHERLAND (Minister of National Defence): The hon. member is in error in saying that nothing has been accomplished. There are certain camps of the nature he mentioned under way in northern Ontario. The full plan has not yet been put into effect. I will be glad to get a complete statement of the present situation and send it to my hon. friend.

## SURVEY OF NATIONAL PORTS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the hon. Minister of Marine (Mr. Duranleau) when he intends to introduce legislation implementing any or all of the recommendations of the Gibb report?

Hon. ALFRED DURANLEAU (Minister of Marine): A bill is under consideration at the present time.

## DEPUTY MINISTER OF MARINE

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): May I ask the hon. Minister of Marine (Mr. Duranleau) when the position of deputy minister is going to be filled?

Hon. ALFRED DURANLEAU (Minister of Marine): The appointment of deputy ministers comes under the Prime Minister himself.

Mr. CASGRAIN: So you have nothing to do with it in your department?

Mr. SPEAKER: Order.

## CHARTERED BANKS

On the orders of the day:

Mr. G. G. COOTE (Macleod): I wonder if I might draw the attention of the government to the fact that an order for return was passed on the 17th of November last, and ask whether it might not be brought down.

## SUPPLY

### DEPARTMENT OF RAILWAYS AND CANALS

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

Railways and Canals

Salaries, $177,534; contingencies, $27,800.

Mr. MACKENZIE KING: Mr. Chairman, there was an understanding that no item involving salaries would be taken up by the government until disposal of the bill in relation to the Salary Deduction Act, 1932.

Mr. MANION: I am sorry, I did not know that.

Hudson bay railway and terminals—construction and betterments (including E. B Jost at $2,250), $967,500.

Mr. MACKENZIE (Vancouver): Would the minister be good enough to give the committee a general statement of the progress of the Hudson Bay Railway and terminal?

Hon. R. J. MANION (Minister of Railways and Canals): This vote is for the continuation of the work that has been going on for some years at Churchill and on the Hudson Bay railway. The work that has already been done consists of the railway itself which is in very excellent shape; I did not visit it last year, but I did the previous two years, and the roadbed was in splended shape though every spring, because of the heavily frozen section of the country through which the railway runs, there are a number of sink holes and that sort of thing. Consequently it still requires a good deal of money to be spent upon it. So that half of this vote is for the rehabilitation of the Hudson Bay railway itself from The Pas to Churchill as well as for maintenance and operation during construction. It is hoped that after this year or next year the railway will have been so well ballasted that these sink holes will no longer develop. At any rate, it is in good shape.

The other work that has been done is at Churchill itself. At that port we have an elevator of two and a half million bushels capacity; we have a dock eighteen hundred feet long; we have a freight shed that was more than adequate to handle the freight last year, we have coal-handling facilities, and the harbour is well dredged, except for one item that is included in this vote for dredging this year, and which it is expected will complete the dredging required at Churchill. The general work there is in excellent condition. The traffic that went through the port last year was well handled

in every way. A large portion of this item is for the completion of the water supply, the engineers having found that they had to go four or five miles from the townsite of Churchill to get fresh water. They had to connect up a number of sloughs into a fairly large lake of fresh water, which acts as a reservoir, and from which they bring water by a pipe line just above the ground. It is surrounded or is being surrounded gradually by moss to protect it from freezing. That, briefly, is a sketch of what has taken place there. I shall be glad to give any further information that is needed.

Mr. EULER: What has been the total cost of the Hudson Bay railway, including terminals, and how much loss was incurred last year, including interest on capital expenditure?

Mr. MANION: The total investment on the Hudson Bay railway and the port of Churchill terminals, and in respect of the deserted Nelson terminals, is, in round figures, between $53,000,000 and $54,000 000.

Mr. EULER: Including interest?

Mr. MANION: No, that represents actual expenditures that have been made. I doubt whether I can give anything like an exact estimate of the cost of traffic last year. There was not very much traffic. Two and a half million bushels of grain was handled and a small amount of other merchandise went through. The two and a half million bushels went out in ten steamers, including the one which was sunk in Hudson straits, and a small amount, about three hundred and some odd tons, of general merchandise came in. In addition to the traffic which went out of and came into the port, there is a good deal of traffic up and down the line in between and to the port itself, and of course, in a sense, it is really at the expense of the government. The revenue and expenditures of the railway itself last year, if one leaves out maintenance, were pretty well balanced. There was an actual loss of three or four thousand on operation and it is expected that there will be about the same loss this year. Of course, there was no maintenance charge, which amounted last year to about $64,000, and which should be charged up to the operation of the road. There is interest on investment, which is not included.

Mr. EULER: It will cost the treasury each year, as a net loss to the railway, something between two and three million dollars. Would that be approximately correct?

[Mr. Manion.]

Mr. MANION: Yes. Of course, the interest alone on $50,000,000 would be two and a half million dollars, roughly, so that that was a direct charge upon the exchequer of Canada. In regard to the operation of the port, there is, naturally, a loss, because so far we have not charged either elevator or port charges on any of the traffic going through. I may say frankly however—I might as well say it now as later, because I have had a number of letters from the west with regard to the matter—that the question is still under consideration as to what we shall do in that regard in the coming year. The elevator handled last year two and a half million bushels, and there were no elevator charges imposed upon that grain, no port charges by the port. It is probably only just that charges should be applied to freight going through that port, as to freight going through other ports in Canada. However, the government is considering the whole matter. No definite decision has been reached yet as to these charges, but I believe there will probably be some charges on a low scale this year with respect to the elevator, if not on the whole port. The government wishes as did the late government, to give every encouragement to the utilization of the facilities at that port. We believe that since we have spent so much money there it would not be wise, for the sake of a small amount, to do anything that might cripple the port. And of course the west is fairly strong in its demands along these lines. Some of the eastern and probably some of the western ports are not so enthusiastic over the rates being so low.

Mr. EULER: Does the minister anticipate any substantial improvement in the immediate years to come?

Mr. MANION: In traffic?

Mr. EULER: Yes.

Mr. MANION: Well, my hon. friend can guess at that as well as I can.

Mr. EULER: Not quite. Is there any traffic coming in?

Mr. MANION: Two years ago we handled two ships and last year ten. That is an increase of 500 per cent. It illustrates very well the futility of using percentages. At any rate, we did handle ten ships and I myself believe quite frankly that there will be an increase. But the whole trade of the world is in such a deplorable condition to-day that—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: I do not know why my hon. friends should cheer; I am not glad that it is so. I do not know why they should be pleased that world trade is down.

An hon. MEMBER: We blame you.

Mr. MANION: Anyone who does not admit that world trade is in a deplorable condition must be more dense than some of my friends of the cooperative organization to the right.

Mr. GARLAND (Bow River): You are not so dense as you used to be.

Mr. MANION: I am glad that I too am improving. I think there will be an increase in traffic; at least I hope so for the sake of the expenditures that have been made. Before elections one can prophesy, but it is not well to do so afterwards.

Mr. MOTHERWELL: Can the minister give the committee any information at all regarding the prospect of insurance rates being lowered on the route, or has the sinking of the Bright Fan knocked all this on the head?

Mr. MANION: My expectation is that insurance rates will certainly not be higher than they were last year, even taking into consideration the sinking of the Bright Fan. I believe that the report of the commission that investigated that matter will offset any harm it might have done the route. Whether there will be much of a decrease, however, I doubt. I made inquiries and I am informed that the loss of the Bright Fan will about wipe out the premiums which the insurance companies have so far received on traffic. Naturally, the imperial shipping committee will not be enthusiastic about lowering rates. At the same time, the government, through the Marine department, which handles that branch of the work, has been impressing upon the Canadian High Commisisoner in London, and, through him, upon the imperial shipping committee, the importance of lowering insurance rates, and I can assure my hon. friend that the government will do everything it can to have the rates brought down. I do not think, even though the insurance rates are high, that they are sufficiently high to interfere with reasonable profits to such ships as go into Hudson bay, especially if they get cargoes each way. I am informed that the ships that have already gone in have done much better in the same length of time than they would have done if plying to other ports. I should not like to give that as absolutely authentic, but the shipping men so inform me.

Mr. MOTHERWELL: The minister is aware of the attitude of the hon. member representing The Pas and of other persons who have been up in that country, with respect to the causes of the sinking of the Bright Fan. It is generally conceded that it looked around a few days and then banged into that iceberg for some purpose or other. I do not think the idea was to do damage to the route; I think it was to collect insurance upon an old boat which had been insured very heavily. These rumours should be settled and I was wondering if the government had taken any steps, either when the Prime Minister (Mr. Bennett) was over in England or otherwise, to get at the bottom of these statements. I have no doubt the minister will tell us all he knows about it.

Mr. MANION: This government did every thing which I think a government was required to do; it investigated the whole matter. The result of the investigation was that the ship had not been handled very well, that the only lookout was a boy of eighteen years of age. To anyone like myself, or my hon. friend, who is not a sea-dog, that fact would seem to condemn the handling of the ship. As to looking around for an iceberg, as the hon. member for Nelson (Mr. Stitt) so picturesquely expresses it, we must realize that the ship is at the bottom of the sea, and it would be rather difficult to find out if it did really look around for an iceberg. I am afraid that is one question that will have to be left to later ministers to explain. We did everything we possibly could. We made a thorough investigation by a commission. The work of the commission, which was well done by the commissioner and the counsel appointed by the government to assist him, has, I think, undone any harm from an insurance standpoint which the sinking of the Bright Fan may have inflicted upon this route.

Mr. MOTHERWELL: Does the minister know whether this boat was heavily insured, and if the insurance was paid? Did Lloyd's or whoever insured the boat pay this insurance?

Mr. MANION: I am sorry, but I cannot give my hon. friend that information. I did hear that the ship, although not an old one, was not in the best of condition. However, that is only hearsay, and I should not like to be quoted authoritatively in that regard. The ship was not particularly valuable, but no ship is valuable at the present time. Unfortunately this government has had to sell ships much below the cost price, and other steamship companies and governments have had to do the same thing. I imagine that if

I had a ship full of grain and it was well insured, as long as no lives were lost I would not weep very much if the ship hit an iceberg. Beyond that I should not like to go.

Mr. DUFF: I cannot allow the former Minister of Agriculture (Mr. Motherwell) to make the insinuations he did with regard to the sinking of the Bright Fan. The fact that a ship is old and is well insured is no reason why an hon. member should get up and say that the vessel was cast away and that the captain had committed barratry. Everyone knows there are icebergs in Hudson bay; everyone knows there are dangers in Hudson strait, and this accident should not be used as capital either in favour of or against the Hudson bay route. The statement should not be made that this ship deliberately ran into an iceberg. The minister has apologized because he did not think there was sufficient lookout upon this steamer, but I would refer him to his own youth. He could see better when he was eighteen years of age than he can to-day.

Mr. MACKENZIE (Vancouver): Much better politically.

Mr. MANION: I am afraid I missed that one; as it seems to be good I should like to hear it.

Mr. DUFF: In order to satisfy the curiosity of the former Minister of Agriculture, the minister said that perhaps there was not sufficient lookout upon the Bright Fan when it struck the iceberg because only a boy of eighteen years of age was acting as lookout. I want to say to the minister that that boy had as good eyesight as the minister himself had when he was eighteen years of age, before he turned Tory.

Mr. MANION: I was very young.

The CHAIRMAN: I hope no reflection is being cast upon the chair.

Mr. DUFF: Not at all. With my slight knowledge of marine matters I would rather trust a boy of eighteen as lookout than either the minister or myself at our ages. I would rather trust him than the former Minister of Agriculture, who, although he can see, is a little deaf in one ear; he would not be able to hear the iceberg blow its fog-horn. We should not stress the fact that because one vessel has been lost there may be danger in Hudson strait or Hudson bay. I hope that this route can be proved to be a satisfactory one, and no apologies are necessary from western members or anyone else, whether Liberal or Conservative. The Liberal government helped to build this route, it spent considerable money both in Port Nelson and Churchill; the Conservative party continued that work and are trying now to complete it. There is nothing to apologize for; the fact remains that we have spent the money and we must find out whether or not this route is a proper route.



Mr. BELL (Hamilton): Has the hon. member lost any of his boats?

Mr. DUFF: No. Because this boat was lost coming out of Hudson bay, it should not be said that the captain or his officers were to blame for the accident. I wonder if the minister could tell us the insurance rate on grain from Churchill to Liverpool, and also if the government pays any proportion of the premium either to the insurance company or to the shippers?

Mr. MANION: Although I think I could give the approximate insurance rate, I would be only guessing. I will get the information for the hon. member before we have completed this item. I should like to quote from the report of the commission that investigated the loss of the Bright Fan. It reads?

> The court thinks that a proper lookout was not kept on the Bright Fan. There was no expressly appointed lookout and for some minutes before the collision with the iceberg apparently the only person on the ship who had any opportunity of seeing the approach of danger was the helmsman, an apprentice of eighteen years of age.
>
> The ship was proceeding at full speed but having regard to the visibility, as to which the evidence is not very satisfactory, the court is not prepared to find that the speed was excessive.
>
> The court cannot too strongly intimate that a lookout should be maintained under all circumstances by some person or persons whose sole duty for the time being is to keep a lookout. It appears that such was not the practice on this ship. Under the circumstances disclosed in this case the court regrets that it is unable to exonerate the master and first officer of the Bright Fan from default contributing to the loss of the ship in failing to see that such a lookout was maintained.

Mr. IRVINE: What court was that?

Mr. MANION: That was the commission appointed to investigate the sinking of the Bright Fan, Mr. Justice Mellish being in charge. Like my hon. friend who has just spoken, he is from Nova Scotia and knows the shipping business, having had much experience in admiralty matters. He was assisted by other officers, but unless it is necessary I would not like to give their names.

Mr. DUFF: I do not wish to criticize the report of the commissioner, who is one of the outstanding judges in the maritime provinces, but I would state that in the case of a tramp steamer like the Bright Fan there

is no necessity to have two men as lookouts. The man at the helm can see through the window, whether or not it is up, practically as far as a man on the bridge. In addition to that, the first officer was on deck. I was very anxious to attend the meetings of the committee; I heard all the evidence and I was very much impressed by the captain. I have no hesitation in saying that he was a good seaman and did everything he could to get the proper directions from the N. B. McLean, so that he could avoid icebergs. There was a sufficient lookout when there was a man at the helm who could see ahead. This apprentice, this eighteen year old young man, was on the bridge and the first officer was on deck, but just at the moment the accident occurred, the latter was on deck attending to his duties, so I do not think it fair to say that the Bright Fan was lost because there was not a sufficient lookout. It is just an accident such as happens every day in the marine world. Neither the Hudson Bay railway, nor the Minister of Marine nor the Minister of Railways should be blamed for the accident.

Mr. MANION: In justice to the owners of the ship, since I read the other clause, I should like to read a couple of remaining clauses that in fairness to them are worthy of being put on record. They say at the end of their report:

> Although no specific question has been submitted in respect thereto, the evidence raised some points as to which it is perhaps proper an opinion should be expressed.
>
> In the first place the court is of opinion that there is no evidence on which to conclude that the loss of the ship can in any degree be attributed to the improper use of intoxicating liquors—indeed the evidence would lead to a distinctly contrary conclusion.
>
> In the next place, it cannot on the evidence be said that the loss was in any way contributed to by any defect in the equipment furnished for the safety of shipping in the locality. Indeed—such equipment has in the court's opinion, been shown to be distinctly helpful and useful.

And the other question, number five, states:

> Was the vessel in all respects in a good and seaworthy condition when she left Churchill on the 25th September?

I may say that the answer to the question is in the affirmative. I do not wish to do any injustice to anybody in the matter. The full investigation and the report upon it are at the disposal of the committee and the members of the house. I do not think it is my duty to give my opinion on the finding of the commission.

Mr. McINTOSH: Was not a further investigation held at London? If so, what about the conclusion there? Can the minister amplify it?

Mr. MANION: I know of no investigation at London. If one had been held, I imagine the Maritime department or I would have been advised, but I do not know about it.

Mr. DUFF: The British Board of Trade held one.

Mr. MANION: I have no record and therefore can give no information.

Mr. McINTOSH: Could the minister get the record of that investigation, or will he try to get it?

Mr. MANION: I shall endeavour to do so.

Mr. McGIBBON: Has the government paid any insurance on the cargoes?

Mr. MANION: No, the government had nothing to do with the insurance. So far as the payment of it is concerned, the insurance was paid by the owners of the goods and the owners of the ship.

Mr. McGIBBON: I mean, since the port opened? I do not mean on that particular cargo.

Mr. MANION: I do not understand my hon. friend's question.

Mr. McGIBBON: Since the opening of the port of Churchill, has the government paid insurance on grain or any other goods?

Mr. MANION: No.

Mr. SPENCER: Was the Bright Fan sunk in broad daylight?

Mr. MANION: No; if my recollection is correct, it was four o'clock in the morning, a fairly good day, with good visibility, although the judge says that the evidence as to visibility is inconclusive.

Mr. SPENCER: In which direction was the boat going?

Mr. MANION: It was sailing toward England. It was going out of the port.

Mr. BRADETTE: There came to my notice last fall the fact that the Manitoba government is going to supervise the new townsite of Churchill. I believe this is a step in the right direction, because in northern Ontario we had an example of a great deal of speculation in the opening of new townsites. I see the government is trying to do away with that. The question I wanted to ask is the following: Are government buildings in Churchill, including terminal elevators

and all buildings pertaining to the Canadian National Railways as well as their terminals, to be exempt from municipal taxes?

Mr. MANION: All government buildings and property are exempt from taxation throughout Canada. I assume the situation will be the same in Churchill as elsewhere.

Mr. BRADETTE: I believe the question is not rightly answered. In my section the Canadian National Railways constructed private houses in competition with private individuals. The question came before the board of railway commissioners, and the result was that these houses were to be taxed municipally in so far as the schools were concerned. I hope a similar condition will not exist at Churchill. I am alluding more particularly to private houses and boarding houses. In our section we carried on for at least fifteen years without receiving school taxes. This is a matter that should be taken up now so that no anomaly will exist.

Mr. MANION: I assume the hon. member is stating that houses which were built by the National Transcontinental in that section pay no taxes. That is what he stated.

Mr. BRADETTE: Yes.

Mr. MANION: I suppose this is on the same ground that the National Transcontinental is a government railway, although, of course, it is being operated by the Canadian National, but the Canadian National Railway itself pays taxes in various places throughout Canada, the total amounting to between four and five million dollars. They are government railways in my hon. friend's section and for that reason they probably would not pay taxes, although I cannot state so definitely, but I presume my hon. friend is well informed on the matter.

Mr. BRADETTE: In our own section, for a number of years dwelling houses for railroad officials and employees were built in competition with private owners—I might instance Cochrane—and it took us quite a long time before we received, not so much the municipal taxes as the school taxes. This anomaly was remedied a few years ago. I hope this administration and the Manitoba government will see that no such injustice occurs at Churchill.

Mr. MANION: The government has no intention of building private houses or boarding houses. Any buildings we have at Churchill will be of the kind we have at present, such as elevators, docks, sheds or buildings of that sort.

[Mr. Bradette.]

Mr. VALLANCE: I notice in this estimate an item of $2,250 for E. B. Jost. What did he do to entitle him to this amount of money?

Mr. MANION: Mr. Jost is assistant engineer of the department, but in addition to that he is senior hydraulic engineer. This $2,250 has been paid to him now for nearly ten years, and paid in exactly the same way. If my hon. friend will look up the estimate of last year, he will find the same item. It was begun, as a matter of fact, under the late government. I am not saying that in any critical sense. Mr. Jost is our authority on the many water power leases on the canals throughout Canada, so that he is paid in two separate ways, although it is put into this item as it has to be put somewhere. Personally I imagine this $2,250 should be inserted in one of the canal items, but this is of no importance as it has to be passed by the Auditor General.

Mr. VALLANCE: What other salary, if any, has he?

Mr. MANION: He receives $4,920 in addition to this. Of course, there would be ten per cent deducted from both amounts.

Mr. McINTOSH: Does he reside at Churchill?

Mr. MANION: No, he resides here.

Mr. STITT (Nelson): I should like to correct a statement made by the hon. member for Antigonish-Guysborough (Mr. Duff), that two or three men were on deck when the Bright Fan collided with this iceberg. That is not the fact. The only man on deck or on any part of the deck where it could be seen was the boy at the wheel. The second officer was in the chart room. In connection with any remarks I have made in respect to the Bright Fan I have no apology to make and do not intend to make any. My considered opinion was that the boat was deliberately scuttled. I am still of that opinion and I shall go to the grave with it. As far as the fairy picture painted by the hon. member for Antigonish-Guysborough is concerned, I cannot say as much for Captain Oliver. In my opinion he is one of the biggest reprobates that ever came into my constituency, and I think any hon. member who reads the evidence carefully would come to the same conclusion about him. I know quite a lot about the actions of the crew of the Bright Fan at Churchill, and I could bring affidavits here as high as this desk to prove my statements. I am sure that some of my friends in the corner to my right will be interested in this point. One of the commissioners asked Captain Oliver if

he had a standard steel watertight bulkhead between holds Nos. 1 and 2, and he replied, "Yes." Then he was asked "Should that not have kept your ship afloat until the salvage steamer arrived?" Captain Oliver replied that the wheat had swelled in bulk and forced the steel bulkhead. Imagine wheat swelling in ice cold salt water in two hours and forty minutes sufficient to break down a steel bulkhead! Anyone who has had anything to do with wheat will know how absurd such a statement is. I have had no reason whatever to change my mind about the sinking of the Bright Fan, and as far as the Bright Fan looking for an iceberg is concerned, if hon. gentlemen will read the evidence they will see that previous to striking the iceberg the Bright Fan sailed only sixteen miles in six and a half hours, although she was a seven knot boat.

As regards the insurance, I do not know the exact figure paid on the hull or on the wheat, but I do know that there was an extra premium of $7,000 charged on each one of the ten boats that went in there, or $70,000, and the insurance carried on the Bright Fan was somewhere around that figure. So there was no loss to the insurance companies even if they had to pay the insurance on the hull, and whether they have done so or not I do not know. The whole evidence in the inquiry has been tabled, and I would ask any hon. members who still have doubts about the matter to read it very carefully before making any more funny statements. If they knew as much as I do about the matter they would have equally as strong an opinion as mine.

Mr. DUFF: I do not think there is much necessity for continuing this discussion as far as the Bright Fan is concerned. I have tried to speak a good word for the Hudson bay route in spite of the fact that I was never in favour of it, but when anybody comes here and says that Captain Oliver deliberately cast his ship away, I think I have a perfect right to get up and defend Captain Oliver and his crew. My hon. friend from Nelson seemed to complain because one of the steel bulkheads in the ship did not close properly.

Some hon. MEMBERS: No, no.

Mr. DUFF: He said that the wheat swelled, the bulkhead opened, and the ship sank.

Mr. STITT (Nelson): Do you believe that? Do you believe that wheat would swell in two hours and forty minutes in ice cold salt water?

Mr. DUFF: Whether the wheat swelled or not, or whether the bulkhead closed or not, I would remind my hon. friend of the sinking of the Titanic when none of the bulkheads closed. It is quite possible that in stowing the cargo, the bulkhead was not closed. Perhaps the machinery would not close it. But it is not fair to say that Captain Oliver—my hon. friend did not say this in so many words—deliberately either opened the bulkhead or left it open so that the Bright Fan would sink when she struck the iceberg, which Captain Oliver, according to my hon. friend, was evidently looking for all that night. The Bright Fan, my hon. friend says, went sixteen miles in six and a half hours.

Mr. ERNST: The rate of an ox team.

Mr. DUFF: My hon. friend comes from Lunenburg where they use oxen. Instead of blaming Captain Oliver for going only sixteen miles in six hours, crawling along like an ox team, as my hon. friend from Lunenburg suggests, coming from a county which has the best sailors in the world, my hon. friend ought rather to get up and compliment Captain Oliver for going at such a rate because it shows that he was a good sailor. I have read the evidence, and I heard Captain Oliver give his testimony, and the evidence shows conclusively that the visibility was not good, and after he got word from the McLean that the iceberg was in a certain position, he proceeded very slowly because he did not think it was safe to make speed. He should be commended for his caution. I say that nobody has a right to get up in this house as my hon. friend from Nelson has done and make such charges. He would not dare to make the statement outside of this house that Captain Oliver cast his ship away, because of certain things that he says he knows happened in Churchill. It is all right for my hon. friend to make these statements on the floor of this house, but I say it is not fair to Captain Oliver or any other seaman to say that he deliberately cast his ship away and went looking for an iceberg just to get the insurance.

Mr. STITT (Nelson): I have said outside of this house what I have said here. Nobody has ever accused me of lacking courage in any of the statements I made. I repeat that Captain Oliver was the biggest reprobate that ever came to Churchill. I am informed he was drunk when he came in there, he was drunk all the time he was there, and he was drunk when he left there.

Mr. DUFF: How do you know?

Mr. STITT (Nelson): I can get affidavits to prove it. And furthermore, he sold whisky or permitted it to be sold all the time he was there. Captain Oliver knew nothing about what speed the boat was making that night because he was in bed.

Mr. DUFF: Where else should he have been?

Mr. STITT (Nelson): My hon. friend said that he was taking extra precautions and all that kind of thing. It just shows that he does not know anything about it. As far as the bulkhead is concerned, Captain Oliver swore that it was closed before the cargo was put in, and the port warden also examined the boat and passed it as seaworthy. He swore it was watertight. But the fact that Captain Oliver swore that the wheat swelled and burst the steel bulkhead I think should convince anybody as to the character of his evidence.

Mr. GARLAND (Bow River): If all this is true, why was the insurance paid on the boat?

Mr. STITT (Nelson): Who knows that insurance has been paid on the boat? I do not know. As a matter of fact I understand that the board of trade in the old country is holding a further inquiry. Whether it has yet been held I do not know. Nobody has told me that the insurance has been paid.

Mr. ERNST: Insurance is often paid because of other risks carried in the same company.

Mr. MANION: My hon. friend from Antigonish-Guysborough asked about the rates. The freight rates are 3s. 9d. per quarter on grain going out of Churchill. The insurance rates are four per cent on the cargo if the ship has a gyro compass, and five per cent where there is no gyro compass, and the rate on the ships themselves is 2s. per gross ton. That is the best information I have, and I think it is correct.

Mr. COWAN (Port Arthur): A few moments ago the minister in reply to the hon. member for North Waterloo referred to the indebtedness incurred at Churchill. What I wish to know is whether the indebtedness is included in the general indebtedness against the Canadian National Railways.

Mr. MANION: No. While in the report of the Department of Railways and Canals it is included in the general indebtedness, it is not part of the Canadian National railway indebtedness. The Canadian National railway handles the road for the government as our agents, and we pay the losses, but the indebtedness is not included directly in the Canadian National railway accounts.

Mr. COWAN (Port Arthur): Just one further question. What advantage has the port of Churchill over other grain shipping ports such as Saint John or Victoria?

[Mr. B. M. Stitt.]

Mr. HANBURY: Or Vancouver?

Mr. CASGRAIN: Or Quebec?

Mr. MANION: Up to the present Churchill has had an advantage over these other ports in not having any port or elevator charges. But of course that is a temporary arrangement which obviously will have to be corrected in the very near future. It is my personal opinion that it is only fair that all Canadian ports should ultimately be on an equal basis. It was thought by the government however that in view of the fact that there were only a couple of ships coming in, and that they were test shipments, there should not be any charges imposed. Therefore up to the present there have not been any charges, even on the two and a half million bushels of grain which passed through the port last year. But in the near future it will be but fair to have the same type of charges imposed upon the port of Churchill as are imposed on other ports, but the charges should be at a rate equal to the lowest existing in any port of Canada. I think that would only be fair, in view of the large investment of the government in the development of this port, and in view of the fact that the western provinces are anxious to give it a fair trial. I believe those rates, comparable with rates obtaining in other ports, should be the lowest possible. There is no doubt that in the near future rates will have to be charged.

Mr. HANBURY: Assistance has been given to other ports in Canada, and I can see no reason why Churchill should not get a fair share of it. I should like to ask the minister to refer again to the loss in operation, which I think he said amounted to approximately $3,000. I do not think that gives a fair picture of the situation.

Mr. MANION: That applies to the railway.

Mr. HANBURY: But it does not give a fair picture. We should have the figures showing the gross revenue and expenses.

Mr. MANION: I believe I have the figures before me. The following are the estimated expenses and revenues for this year, based on the operations of last year:

| | |
|---|---|
| Estimated expenses.. .. .. .. .. | $338,650 |
| Estimated revenue.. .. .. .. .. | 335,000 |
| Estimated operation deficit.. .. . | $ 3,650 |

The items of expenses are:

| | |
|---|---|
| Train operations | $112,900 |
| Train operations for wheat haul | 101,600 |
| Mechanical staff | 37,000 |
| Agents and operators | 13,700 |
| Heating shops, and so on | 16,100 |
| Pumpmen | 10,700 |
| Auxiliary rental | 12,700 |
| Water stations, fuel, and so on | 7,000 |
| Miscellaneous | 4,500 |
| Staffs, supervision and engineering | 22,450 |
| Total estimated operating expenses | $338,650 |

The estimated revenues for this year are:

| | |
|---|---|
| Freight wheat haul | $210,000 |
| Other freight | 69,000 |
| Passengers | 40,000 |
| Express | 4,000 |
| Mail and telegraph | 5,500 |
| Miscellaneous | 6,500 |
| Total estimated revenues | $335,000 |

These figures indicate an estimated operating deficit of $3,650. I do not wish my remarks to be misconstrued, but I should like to explain that a good deal of that traffic is freight which has been handled for the ports by the government. It is natural that the railway company should receive credit for any freight handled in that way. I point out further that these rates do not include maintenance charges which are ordinarily included in the operating expenses of a railroad. Therefore I may say it is a set-up figure. So that those are the estimated expenditures and revenues for the Hudson Bay railway.

Mr. HANBURY: I was interested in learning, if the minister has the information before him, what portion of the revenue is from Churchill to prairie points, or other parts of Canada?

Mr. MANION: I am afraid I do not understand the question.

Mr. HANBURY: I was wondering if the minister had information to show what portion of the revenue was derived from merchandise coming into Canada through the port?

Mr. MANION: Practically nothing. The whole revenue, so far as that is concerned, was derived from the two and a half million bushels of wheat shipped out, plus some small quantities of flour and other lines of merchandise. The wheat was the big item, amounting in all to about two and a half million bushels.

Mr. CARMICHAEL: How long was the port open during the 1932 season?

Mr. MANION: It is open from about the middle of July until about the middle of October.

Mr. CARMICHAEL: If possible, I should like to have the exact dates.

Mr. MANION: I shall endeavour to get them, but hon. members will realize I cannot have all information before me for which hon. members are asking. I shall endeavour to get it before my estimates are closed.

Mr. GERSHAW: Some business men appear to be anxious to get lots in the townsite for business purposes. To whom should they apply?

Mr. MANION: The Manitoba government, by whom the townsite is handled.

Mr. McINTOSH: Is there any directing effort on the part of the Department of Railways and Canals towards the opening up of the townsite?

Mr. MANION: We have nothing whatever to do with the townsite. We handle the port, but so far as the townsite is concerned, it has been handed over to the province of Manitoba, and they will have complete control of it. In consultation with them, however, we did offer a number of suggestions.

Mr. McINTOSH: I understand the provinces of Manitoba and Saskatchewan are making all necessary efforts to build up a trade into and out of the port. Has the minister any information to give the committee concerning the success of those operations up to the moment?

Mr. MANION: The province of Saskatchewan has appointed two men, Mr. Ireland and Mr. Smith, to solicit traffic for the port of Churchill. I will be quite frank and say that some of the citizens of Saskatchewan took the stand that the Dominion government or the Canadian National Railways should appoint traffic solicitors for the port of Churchill. I took the responsibility of stating that it was no more the duty of the Canadian government to solicit traffic for the port of Churchill than to solicit for the ports of Halifax, Vancouver, Montreal or Quebec, and the further stand that since in the last few years the Dominion government had spent about $54,000,000 on the port, and since the province of Saskatchewan would be the chief contributor of any freight going into or out of the port, they might very well spend $10,000 on the appointment of traffic solicitors, thereby avoiding any criticism which would be levelled at a Dominion government for appointing such officials for one port and not

for others. In the end they adopted the same view, and as a result have appointed the two gentlemen whose names I have mentioned. Their chief duties are to solicit freight and traffic for that port.

Mr. McINTOSH: One question more—I thank the minister for his information. I think the attitude taken by some people in western Canada is that the government of which the hon. minister is a member quite often has the belief and acts upon it that it is right to support infant industries by protection. As this is an infant port, perhaps a little protection would not do it any harm.

Mr. MANION: I think the government has been giving it very generous protection. I do not believe that if the government which my hon. friend followed were now in power it would think of giving it greater protection than it has had. Both in construction, maintenance and operation the Dominion government has given exceedingly generous treatment to the whole road.

Mr. BOWMAN: May I suggest to the minister that he continue that generous support for a little while longer, until the seaport has been given a fair trial? The very fact that the loss of the Bright Fan did not injure the insurance companies to any greater extent than the premiums paid would indicate that future business should prove profitable to the extent of about one hundred per cent. Possibly after the road has been used another year or two the insurance rates will be lowered. Until that time comes I suggest that the port be given the generous assistance that the government has given in the past. May I ask the minister whether or not there will be an official opening this coming season?

Mr. MANION: I am sure the government will continue to give fair and reasonable and just treatment to the port. No government, whether of this stripe or some other, would feel that $54,000,000 should be invested and then the result of that investment be unfairly treated. I am sure that this government will see that fair treatment is given to the port in every possible way. As to an official opening, it was hoped that there would be an official opening in 1932, but there was the imperial conference, and the opening of the Welland canal which had been already delayed a year; as my hon. friend knows, there was much to be done, consequently it was put off. But the government will give every consideration, and I think favourable consideration, to the question of an official opening of the port of Churchill this coming summer.

[Mr. Manion.]

Mr. MacMILLAN: Is it the intention of the government to transfer the Hudson Bay Railway to the Canadian National Railway so that it may become an integral part of that system?

Mr. MANION: That has not been considered by the government as yet. I think if I were one of the managers of the Canadian National Railways, until the Hudson Bay railway showed that it was going to pay its way I would object to taking it over as part of the Canadian National lines, because their deficit now would appear to be sufficient from their standpoint, without adding to it. However, that is a matter which will ultimately have to be considered. I suppose in the course of years the Hudson Bay railway will ultimately become part of the Canadian National system.

Mr. McINTOSH: Is it not a fact that a lot of dead horse railways in eastern Canada have been taken over as part of the Canadian National?

Mr. MANION: Yes, I certainly think there were a lot of railways of that type taken over by the Canadian National in the years that are past, roads that the Canadian National would be very much better without. That is all the more reason why they do not want to take over any more non-paying railways until they show a prospect of carrying themselves.

Mr. MacMILLAN: If one part of the country is going to benefit by the taking over of deadhead railways by the Canadian National, then to build the Hudson Bay railway and attribute its losses directly to that railway is doing it an injustice.

Mr. EULER: I had not intended to say anything in regard to the Hudson Bay railway being incorporated into the Canadian National system, but I quite agree with the minister that if I had control of the Canadian National I would not care to have the Hudson Bay railway saddled upon the Canadian National system. I will also agree that some railways have been taken into the Canadian National system that perhaps should not have been. I fear that some people might be glad to see a losing proposition like the Hudson Bay railway incorporated into the Canadian National system for the mere purpose of enabling them to point the finger of scorn at the principle of public ownership. Something has been said in regard to the desirability of giving a fair trial to the Hudson Bay road. If that means that it is desired to try out the Hudson strait route, whether ships can navigate it safely and for a

substantial part of the year, well and good. Otherwise I would say that it was not giving it a fair trial, a trial that means much, if you do not conduct that trial under the same conditions under which it will ultimately have to operate. If the government is going to pay port charges and so on, I say that is not giving it a trial upon which one can rest a fair judgment.

Mr. MacMILLAN: Do you object to it?

Mr. EULER: I am not objecting to giving it a fair trial.

Mr. MacMILLAN: Do you object to the assistance they have given?

Mr. EULER: I do not even understand what my hon. friend is driving at. Usually I do.

Mr. MANION: He asks if you object to paying the port charges.

Mr. EULER: There is one other question that I desire to ask. The minister stated that some two and a half million bushels of wheat went out during the past summer. Was that the product of the year 1932? That is, is it possible to ship grain out by this route in the same year in which it is produced?

Mr. MANION: I do not know what year's grain that was, but generally speaking I would say that it is not practicable—I do not say not possible—to ship grain out in the year in which it is grown, because the navigation season as so far determined is a little on the short side. And this will answer the question of my hon. friend the member for Kindersley; the hon. gentleman asked me about the opening and closing of the port last year. I have obtained the figures for him. The steamship Sierentz came in on August 14, 1932. That does not say that a boat could not have come in sooner, but the first arrival last year was August 14, and the last out was the Pennsilvia, which left on October 10, 1932. That would be a period of just under two months. The previous year the port was certainly open a good deal longer than that, and I think also this past year. But those are the dates of first arrival and last departure. They are all we can go by.

My hon. friend from North Waterloo (Mr. Euler) asked a question at an earlier time in regard to past years. Unfortunately I could not lay my hand on the figures at the time, but I have obtained them since. The actual revenue in 1931 amounted to $387,870.76 and the expenses to $389,077.19, the loss being $1,206.43. That was less than the estimate for the coming year. In 1932 the revenue—in round figures—was $577,000 and operating expenses $612,000, so that the loss was $35,000. But they estimate a little more grain this year, I think about three million bushels, and they figure that this year it will be the amount I put on Hansard a few minutes ago.

Mr. COWAN (Long Lake): I am afraid an entirely wrong impression is being left on the eastern mind in regard to the payment for the construction of this Hudson Bay railway, and that it is being used very much to the detriment of the railway. The impression is that it has cost Canada, eastern Canada chiefly, the sum of $54,000,000. That is absolutely incorrect. What happened was that some years ago Hon. Frank Oliver, then Liberal Minister of the Interior, brought in a bill which became law setting apart certain lands in the provinces of Manitoba, Saskatchewan and Alberta which were sold for the purpose of building the Hudson Bay railway. I have here a report from the assistant deputy minister of the Railways department, and I am going to put it on Hansard for the information of my hon. friends from the east:

During the ten years the provisions as to preemption and purchase were in force, the Department of the Interior disposed of preemptions approximating 12,763,040 acres, including entries since cancelled, and, as purchased homesteads, 1,322,840 acres approximately, including entries since cancelled.

The lands were sold at $3 per acre. The total sum for which these lands were sold was: preemptions, $38,289,120, approximately; purchased homesteads, $3,968,520, approximately.

Amounts actually received up to February 28, 1930 (the last date upon which I received information from the Department of the Interior) on account of these purchases have been:

| | |
|---|---|
| Preemptions.. .. .. .. .. .. | $18,697,346 35 |
| Purchased homesteads.. .. | 3,294,840 42 |
| Total.. .. .. .. .. .. .. | $21,992,186 77 |

Balance owing by purchasers:

| | Approximately |
|---|---|
| Preemptions.. .. .. .. .. .. | $3,000,000 |
| Purchased homesteads.. .. | 150,000 |

From this it will be seen that instead of the government of Canada being called upon to foot a bill of $54,000,000, we in the west have built the road and have been mighty little of a burden to the rest of Canada. When hon. gentlemen tell us that we are away behind, needing relief and wanting this, that and the other, while they themselves are getting millions of dollars every year for ports and marine services, although we do not get a cent, I want to tell them that they are away out. We are paying our own way and are drumming up cattle to ship over this road. I said to the people of Regina, "Get busy yourselves and secure traffic for that railway. To hang with the east; we will build

up that road ourselves anyhow." I am as good an easterner as I am a westerner, and I can tell my hon. friends that we in western Canada are prepared to assume the responsibility that is ours. We are going to do our duty. Make no mistake: that Hudson Bay railway will be a mighty big success in a short time. It is successful now, and we are going to keep it going regardless of what others say or do.

With regard to the Bright Fan, I have had conversations with people who know something about these matters, and they are very much amused at the statement that has been made that the grain swelled and broke the bulkhead. People who are conversant with these things tell me that this is absolutely silly. The grain was dumped into compartments between the bulkheads but it was all open at the top. The only thing that was on top of the grain was a lot of bags, so that if the grain did swell it would move in the direction of least resistance, which would be upwards; but the darned thing did not go up at all. A statement of that kind is absolutely absurd. The fact is that a ship went down that should not have gone down. I was not there but, from what I have heard, I am sure the ship should not have gone down. That disaster must not therefore be held against insurance rates, and if anyone tries to keep up the rates on that account, we are going to be heard from.

Mr. CARMICHAEL: If I heard the question and answer correctly, there was a wrong impression in regard to the shipment of the current season's crop out of Churchill. I understood the ex-Minister of National Revenue to ask whether the crop of the current year could be shipped that year, and I understood the minister to say that it could not. That is far from being correct. It may be that a large part of the shipment via Churchill may not be the current year's crop. I am located 126 miles west of Saskatoon, which is in the middle of the province and about 40 miles from the Alberta border. I had my grain threshed on August 30 and 31 last year. It was in the elevator and was shipped immediately afterwards, and I was not the first to have my grain threshed; they were threshing their grain ten days before that. So that grain threshed in the latter part of August, according to the minister's statement, has all of September until some time in October—October 10 last year—to get there and be loaded, and he said that the previous year the port was open much later than October 10. Generally speaking, the time until which the port is open may be placed between about the middle and the end of October, and that being so, with grain threshed the latter part of August or early September, I do not see why a large part of the current crop cannot move out of the port during the same year.

Mr. MANION: I do not want to be misunderstood. What I meant was this. Generally speaking, I think I am right in the answer I gave my hon. friend (Mr. Euler). I do not question the statement made by the hon. member that if the grain is harvested by the end of August some of it could be shipped out. Some would be shipped in normal times through Churchill—

Mr. HANBURY: Theoretically.

Mr. MANION: No, even in practice. But even so, if one waited for the crop of that year to go out of Churchill, one would waste two months of a short season. The port opens about the middle of July and closes about the middle of October, so that a crop harvested at the end of August would probably not be shipped out of Churchill until the middle of September, two weeks after harvesting, which would be quite expeditious, and if we attempted to wait for that there would be two months from the middle of July until the middle of September which would be lost. Therefore, a large proportion of the grain that has gone or that will go through Churchill will certainly be the previous year's grain. That is not a serious matter at the present time with hangovers of 100,000,000 bushels. Some difficulty was experienced last year by people who tried to get grain shipped through that port, though fortunately for the port, the Continental Grain Company made the proposal to us of putting in at least 2,000,000 bushels and shipping out at least 1,000,000. They put in well over 2,000,000 bushels and shipped most of it, and one or two other companies shipped a small quantity.

My hon. friend from Muskoka asked a question with regard to future costs added to those I have already given. When I mentioned that figure of $54,000,000, that included this year's estimate of expenditures, and that will represent to a large extent the completion of the port so far as traffic of the present type is concerned. If the traffic became heavier, we should require more freight sheds and coaling facilities, greater elevator facilities, more docks, and so forth. I am referring to it as an up-to-date port, capable of handling fifty per cent more shipping than was handled last year. The port is in pretty good shape considered from that

angle. The elevator will handle many times the amount of wheat handled last year. In reply to the hon. member for Long Lake (Mr. Cowan) I would say that I have no quarrel to make with the statement he made; I am quite familiar with it. I am not endeavouring in any way to differ from him or to argue that the port has been treated too generously. It must not be forgotten that the land set aside for the purpose of the Hudson Bay railway belonged to the Dominion government at the time it was set aside. I cannot even remember what government was in power at that time, but this land was set aside before the natural resources were turned over to the provinces.

Mr. BOTHWELL: In connection with the figure of $54,000,000 given as the expenditure in connection with this port, could the minister tell the committee how much of that was expended at Port Nelson?

Mr. MANION: That amount includes the expenditure at Port Nelson, which was something between six and seven million dollars. I think this amount is a legitimate inclusion because it was all spent in connection with the building of the road.

Mr. BOTHWELL: What proportion of that was for the elevator?

Mr. MANION: About $1,500,000. Replying to the question asked by the hon. member for Kindersley (Mr. Carmichael) I may say that I have been informed by one of the officers of the department that the last two cargoes which went out last year were composed of that year's crop. This would seem to indicate that a particular year's crop can be handled through the port in the same year.

Mr. BOTHWELL: Could the minister put on record the exact figures in connection with the expenditure at Port Nelson?

Mr. MacMILLAN: There was great difficulty last year in obtaining cargoes to be shipped through this port. We in western Canada asked to have this railway built and port facilities provided, but, strange to say, the grain interests have paid little heed to the request that cargoes be shipped through Churchill. If my memory serves me aright, the minister had to go out and dig up some cargoes to be shipped through this port. I think it is just about time the western cities and their boards of trade woke up and did a little digging themselves for cargoes.

Mr. MANION: The hon. member for Dauphin (Mr. Bowman) asked the capacity of the grain elevator. While I cannot give him the exact figures, it is something in the neighbourhood of one million bushels per day. This is a two and a half million bushel elevator with four loading belts, and it can run the grain through pretty rapidly. The hon. member for Swift Current (Mr. Bothwell) asked the exact expenditure at Port Nelson; it was $6,274,217.88.

Mr. EULER: No salvage at all?

Mr. MANION: That is the net cost; there was a certain amount of salvage, but not very much.

Mr. BOWMAN: Replying to the hon. member for Kindersley, the minister gave October 10 as the date upon which the last boat left the port. Was the port open for navigation longer than that date?

Mr. MANION: Yes.

Mr. BOWMAN: Has the minister any idea how long the port was open for navigation?

Mr. MANION: We obtain information from time to time from the officials of the Department of Marine as well as of the Department of Railways and Canals. This information may be that the strait is open upon a certain day, but navigation from Churchill does not depend only upon the strait being open. Churchill bay is fed by fresh water streams and freezes up more quickly in the fall than does the salt water out in the bay and in the strait. Consequently the closing of navigation depends upon the harbour of Churchill itself. If the traffic warrants it later on, it is possible that ice breakers may be used to keep the port open for a longer period, but that has not been found necessary as yet. In the spring the reverse applies; the port is open before the strait because the ice comes down from Fox channel and interferes with the ships coming in. It is all a rather complicated picture, but the officials of both the Department of Marine and the Department of Railways and Canals, are continually making records in an endeavour to obtain accurate information over a period of years as to just how long the port can be kept open. I think at the moment it can be stated definitely that there is at least three months of safe navigation, although less than two months were used last year, and it is quite probable that the period of navigation will be lengthened in the years to come.

Mr. BOWMAN: It is quite evident that with the elevator capacity this port can handle probably 25,000,000 to 30,000,000 bushels of grain safely in a season.

Mr. MANION: That is right.

Mr. MOTHERWELL: I have been waiting for an opportunity to have another say in this matter. The hon. member for Antigonish-Guysborough (Mr. Duff) has left the chamber, but I would like to say to him that I would be quite willing to sit at his feet to learn about the wonders and dangers of shipping. I do not pretend to know much about these matters, but one does not need to know very much to know that a "lookout" is no good on a ship unless there is an occupant in it. There was no occupant in the lookout of this ship when it struck the berg. The statement was made by Captain Oliver of the Bright Fan that the bulkhead of this boat was shoved over because the wheat swelled up after being two and a half hours in cold salt water. Whoever made that statement either did not know very much about wheat or he must have been as full as a goat himself. The captain was comfortably asleep downstairs somewhere—I know you do not call it that in a boat—and there was a boy of eighteen at the wheel. The one who should have been at the wheel was down having a cup of coffee. That seems to be a lackadaisical way to run a boat supposed to be in dangerous waters, especially when they had been told by radio that there was a roaming iceberg nearby which had not been properly parked. I think the whole thing is a disgraceful incident, and instead of protecting these men they should be exposed all over the world. This ship should not have been sent out without a gyro compass. Unless the minister does a little more to find out about these things, I am going to have something further to say later. In former years I had something to do with this port of Churchill being finally chosen and I am not going to allow this thing to stand. I congratulate the hon. member for Nelson (Mr. Stitt) for sticking to his guns and puncturing some of these cock and bull stories about the bulkhead bursting because the wheat was wet for two hours and a half. That is absolute nonsense. If the government want to protect their own hides in this matter, I would recommend that they get busy with London. I wonder if they have sent over a copy of this tabled report of the commission with regard to the Canadian investigation. It should have gone overseas. The insurance companies should know the result of the investigation. We would not have received it if it had not been for some members who were curious to know what was in it. Indeed, I do not think we would have had it at all had it not been for the hon. member for Nelson.



Mr. MANION: That is not quite correct. The report was tabled last year.

Mr. MOTHERWELL: We would not have had the evidence had not some hon. member prodded the government a bit.

Mr. MANION: The hon. member can get off more mistaken statements than anyone else, but when he said that the government had to be prodded, the government did not have to be prodded by either the hon. member for Nelson or my hon. friend himself. If a wreck occurs and there is any question about it, the Marine department of whichever government happens to be in power investigates it. An investigation in this case followed in the usual course; the government required no prodding at all. The government does not require to "protect its hide," as the hon. gentleman so elegantly expressed it, so far as the port of Churchill and navigation through Hudson strait are concerned. The government has done everything to support the route. I have no doubt the Marine department have long ago sent the report to England.

So far as anything further to be done by this government regarding the sinking of the Bright Fan is concerned, the government has done everything a government would ordinarily be expected to do. It has made a thorough investigation. The report has been against the Bright Fan, against the operation of the vessel, as I have put enough on record to show. Certainly the British shipping people, who are the best in that line in the world, do not require any special prodding to check up insurance rates, taking into account the Bright Fan and the navigation of that ship. I just wish to correct the implication that the government has been in any way remiss in its duty in handling this matter. The government is just as anxious as any could be for the port to be a success. No government would want to see $54,000,000 spent upon any project without any return from it. I can assure my hon. friend that the government is doing everything it can to have the insurance rates lowered—I pointed that out very much earlier in the afternoon—and it will continue to do everything possible to have insurance rates lowered and to have the Churchill route given a fair and just trial.

Mr. MOTHERWELL: I am glad the minister assures us that the government took the initiative on something. The information we

have is that it was the hon. member for Nelson who initiated the investigation, but whoever initiated it, I want to give him the credit.

With regard to sending the report and the evidence to London, what use was the investigation otherwise? The minister was not going to table the evidence until the hon. member for North Battleford got after it, and he had to get after it at least half a dozen times before it was tabled. I read the evidence, hurriedly, I admit, but I read enough to get a grasp of what bunk was put up by the captain in regard to the bulkhead. I was curious to know why he was talking in that way if he had a really valid excuse for the water getting into the rest of the boat. He must have known that could not be accepted as a reason for the bulkhead going over. I say again to the minister that we shall expect him to get busy and find out, first, whether that insurance was paid by the insurance companies; further, if there was another investigation on the other side of the water with respect to the matter, and if so, what was the result of it? Or was it a case of this crew being turned loose on the public to victimize them again in the next boat that wants to take a nosedive in the waters of Hudson bay; if they know they can make away with their boat by getting on a drunk at Churchill and having a little investigation at Ottawa, the cost of them is not very much if they are going to get the insurance for their vessel. Shipping, especially old junk, is quite plentiful now, and it is the duty of the government—and I shall impress it upon them—to see this matter to a finish and satisfy us as to just what happened and why, and if this boat was sunk purposely. The hon. member for Nelson stated in the house that he believed the evidence would demonstrate that the boat was sunk deliberately. The government has this from one of its own supporters, not from me; I am just making my contribution as to what I think the government should do, because I intend to hold them responsible if they do not take further action in regard to this matter. We want our insurance rates lowered and we cannot get them lowered by sinking vessels either by accident or design along the route. It was well known that an iceberg was in the vicinity. The N. B. McLean had notified that ship by radio and yet we find the captain drowsing away in his bed, the man that should have been at the helm drinking a cup of coffee and an eighteen year old boy, who might well have been on the lookout, being at the wheel. That was the situation. I am not a mariner, but I have been on salt water long enough to know when a boat is in danger, the captain never leaves the bridge. He sleeps there without undressing.

Mr. RALSTON: No, he does not sleep.

Mr. MOTHERWELL: Well, he rests in the chart room, or whatever you call it. I do not care who denies it, because I have seen a captain do so. I was on a boat coming from Jamaica and for two or three days in succession the captain never left those quarters nearby and had his meals brought there. There are coral reefs around there and a heavy sea was on. All I know about the matter is that men who have charge of ships, whether freight or passenger, do not loaf in bed or sip coffee away from the helm under those berg conditions of which they were warned. I do not think the crew could have been sobered up after the spree they had at Churchill.

There is another matter that should be investigated. Why should boats be permitted to leave the other side without a proper compass? I do not know what the port regulations are along this line. I know it costs a good deal to buy these gyro compasses, but if there is a proper compass, why are regulations not made to compel these boats to carry it? If the N. B. McLean had not been near the spot, these men might all have gone down or they might have got to the Labrador shore. But perhaps that is another story. Possibly they cannot be made to buy these gyro compasses; but what is the use of them if the boats do not use them? The captain gave evidence that the compass he had was of no use to him, so that it was no better than the lookout. Just imagine going through there without a compass as well as without a lookout! The matter requires much fuller investigation. These men have to get certificates; well, they should be stripped of their certificates, demobilized and sent elsewhere, not on stormy waters or even calm waters.

Another matter. When insurance is quoted, it seems always to be quoted on a quarter basis, eight bushels, and in English money. I used to be able to reduce English money to dollars and cents, but I have not seen enough of it lately to do any mental arithmetic in that respect. Could it not be quoted on the same basis as on our side, so much in dollars and cents per 1,000 or 100 bushels or per bushel, whatever is required? That would be a great convenience.

My deskmate and the minister had a little dialogue on a matter that has not been made quite clear, as to sending out wheat the same year it is grown. Possibly there will be at least two months of that in an ordinary year. In a year like last year, our wheat would have been at Churchill harbour by the first of September and could be shipped from then to the first of November at least. We are not worrying about that at all. It will help to take the peak load at a time when the other ports are busy. Besides, right now there must be between fifty and sixty million bushels of wheat at the head of the lakes.

Mr. MANION: Probably more than that.

Mr. MOTHERWELL: I think it is sixty million bushels, and nobody is perspiring blood over that. So why should there be so much agitation and anxiety about two or three million bushels being held over at Churchill? There are some two hundred and fifty million bushels of wheat in Canada right now awaiting export, and some of that two hundred and fifty million bushels is in ports open all the year round. So we should not get into a state of agitation because two or three million bushels are held up at Churchill in the same way. There has been no difficulty on that score, I can assure any doubting Thomases. It has not been demonstrated yet just how good the Churchill route is going to turn out, but we do not want any more Bright Fan incidents making it more difficult to get reasonable insurance rates. I consider that the insurance rates have everything to do with the success of that route. The minister told us last year that the insurance rates on the Hudson Bay route were five or six times greater than on the St. Lawrence route. I think they have been lowered slightly since, judging by a press statement the minister made last summer, but I believe the rates on the Churchill route are still four times greater than on the St. Lawrence. The minister will correct me if I am wrong. That is a tremendous handicap. There is a great advantage in distance for the Hudson bay route, and we want to make the most of that. I would point out that the government of which I had the honour to be a member did its best to develop the Pacific route. It was not until after we came into power that the Pacific route did very much wheat business. After the Panama canal was opened it was quite a number of years before our wheat or anything else went out of Vancouver or Westminster or any other Pacific port in any quantity. But we had elevators built there, established commissions in control of elevators, and had Crowsnest freight rates established, so that Alberta wheat sought out that nearest outlet to the sea, and it was not long before Vancouver was humming with wheat shipping. Sometimes there was so much wheat going there that shipments had to be diverted elsewhere. I am not appealing for the Hudson bay route any more than I appealed for the Pacific coast route, and I hope the minister will not take umbrage at anything I have said. I think he is doing fairly well, considering the mighty little encouragement he must be getting round about him, especially in his own constituency of Fort William, when he attempts to help along a rival port. I quite appreciate that. While it is not his place to do it, I think that either the Minister of Marine or the Prime Minister should lose no time in placing this whole matter before the insurance authorities in London and getting all the information available on the subject. That is what I would suggest at this stage, and I shall expect something to be done, otherwise I shall be constrained to have another word to say later.

Mr. MANION: At this late hour I do not wish to take up much more of the time of the committee, but I can assure hon. gentlemen that this government is leaving nothing undone. What the hon. member for Melville has just suggested I am quite sure has already been done by the Department of Marine. It was their duty, and I have no doubt whatever that the whole report has been forwarded to England long ago.

I wish to take exception to the suggestion that there was any difficulty in getting the report tabled. We had no reason in the world for keeping it back. We were in no way responsible for the sinking of the Bright Fan and in no way interested in protecting Captain Oliver or anyone else. It is our business to do everything we can to get the insurance rates down, and we have done and will do everything we can in that direction. I am sure that next year when the estimates come up again we shall have reports of any investigations that have been held in connection with this matter in Great Britain. Personally I have had no intimation of any investigation being held over there, but the hon. member for Nelson has stated that he understands that an investigation is being held, and I have no reason to doubt that his information is correct. May I say on his behalf that no constituency has a more loyal member, and

there has been no more loyal supporter of the Hudson bay route, and no harder worker for it than the hon. member for Nelson.

Mr. MOTHERWELL: Hear, hear.

Mr. MANION: He has been very enthusiastic about the route at all times, as naturally he would be, because the success or otherwise of the route will probably mean the making or breaking of his section of the country. He is a hard working member and deserves the commendation not only of my hon. friend but of the whole house because of the work he has done for that route.

Mr. LUCHKOVICH: I was quite interested in a remark made by the hon. member for Nelson about the sinking of the Bright Fan. He said that the ship started out from Churchill looking for an iceberg to bump into, and that finally it found one, and sank in consequence. He also stated that the captain was a reprobate and a drunkard. In view of that fact possibly a lot of bootleggers may be handling grain from that port, and the bulkhead may have given way through an explosion when moonshine was being manufactured on the boat.

Mr. NICHOLSON: I understood from the minister's figures as to the cost of operation that maintenance of way was not taken into account. May I ask him if anything was taken into account for rolling stock and equipment, rentals, and whether the Hudson Bay railway, or the government on behalf of the Hudson Bay railway, owns the rolling stock and equipment or rents it from the Canadian National Railways.

Mr. MANION: The equipment is rented from the Canadian National Railways, and the cost of that equipment is taken into account. My hon. friend is quite right in saying that the maintenance charges are not taken into account. Nor have we been charging up interest to the road.

Item agreed to.

Canals—Welland ship canal—construction and betterments, $1,992,000.

Mr. MACKENZIE (Vancouver): May I ask the minister the total cost of the Welland canal to date, and the total interest charges on our entire canal system every year?

Mr. MANION: The total cost of the Welland ship canal, in round figures, is $128,000,000.

Mr. MACKENZIE (Vancouver): Has the minister the interest charges on the entire canal system of Canada?

Mr. MANION: The cost of the entire canal system, including the Welland canal, is in the neighbourhood of a quarter of a billion dollars, about $250,000,000. So far as interest is concerned, it is not charged up to the canals, but is incorporated in the general consolidated revenue accounts of the country.

Mr. MACKENZIE (Vancouver): My impression from some figures I received was that the total cost was somewhere around $236,000,000, and I think that last year the interest charges to the Canadian taxpayers were $12,000,000. Has the government ever considered the advisability of installing a toll system on our Canadian canals? Shipments of our grain from Vancouver to the old country pay $1.20 a bushel passing through the Panama canal, and 72 cents a ton in ballast, or a net average of nearly $1 a bushel. Last year a profit of $7,000,000 was made by the American government on the Panama canal system, of which the port of Vancouver contributed roughly $3,750,000. Of course, I know about the old treaties, but if American shipping is to use our Canadian canal system to the extent of 1,750,000 tons out of a total of 17,500,000 tons, which were the figures last year, without paying a single cent in tolls, I would suggest that the question of installing a toll system be seriously considered by the government. Here is the wheat of western Canada shipped out of the port of Vancouver paying on the average $8,000 per cargo passing through the Panama canal, including freight both ways, and I am suggesting to the minister and the administration that we might give very careful thought to the adoption of some toll system on our Canadian canals, so that we would not be losing the revenue we are losing to-day. Also there should be a policy of equalization between west and east. At the present time the western grain shippers are paying a large amount in tolls to the American government.

Mr. MANION: The matter of tolls has not been considered by the government, because in 1903 all canal tolls were abolished by agreement between the governments of the United States and Canada. Up to that time tolls had been charged. It is true that tolls are charged on the Panama canal. Any change in the present arrangement however would have to be by arrangement between the United States and Canada and it is possible that the United States would not agree to a change.

Then, too, if tolls were charged on the Canadian canals there would be the danger of

sending through the United States ports a much larger proportion of Canadian grain than now goes through them. Up until recently from a quarter to a third of Canadian grain had been shipped via American ports. If shipping tolls were charged on Canadian canals the shipments through American ports would certainly be increased. Then there is this further point to remember, that the best canal at the Soo is the American canal, and is used by Canadian boats. In ordinary times the Soo canal carries more traffic than any other canal in the world. It carries two or three times as much as the Panama or Suez. By far the greater proportion of the traffic goes through the American locks. I am prepared to admit that canals present a complicated question, and there are reasonable arguments on both sides. I notice that a financial paper of Canada has been waging an extensive campaign on behalf of tolls, and there is another argument from the standpoint of the railways. I should not like to commit myself however, because it is not a question which has come before the government in a definite manner, and as I said before, any arrangement which could be made there would have to be an international agreement.

Mr. CANTLEY: The free use of our canals undoubtedly will have to be reviewed, and some other arrangement made between the United States and Canada. What are some of the facts? American coal is being transported without charge through canals which cost this country great sums of money. The eastern provinces are not in a position to send coal westward. Canada is thus practically subsidizing every ton of American coal which comes into Ontario or Quebec, by offering free passage through canals which cost us about $300,000,000.

Mr. RALSTON: Yes, and including free dockage.

Mr. CANTLEY: Yes, including free dockage. I submit that condition of affairs should not be allowed to continue indefinitely. Then, there are other factors to which I might refer, but on this occasion I will not do so. Consider this for a moment: Outside of the province of Ontario the canal expenditures in the Dominion of Canada are very small. For instance, in the province of Nova Scotia we have only half a mile of canal, costing originally about $600,000. If we are to allay unrest in the different provinces these matters should be considered and conditions rectified. When, on previous occasions, the vote for canals was before us, I thought of making a statement, but refrained from doing so. For years I have been amused at the arguments made in this house by some western members about the Hudson Bay route. I made the statement half a dozen years ago—perhaps I am out of order, but I shall repeat it now—"that when the year came that our western friends could bring ten ships into Hudson bay and get them safely out again I would admit that the navigation of Hudson bay was feasible." As yet that has not been done. We will have to wait twenty years before it will be done. The past two seasons were exceptional. Wait and see.

Mr. EULER: I should like to support the remarks of the hon. member for Vancouver Centre, concerning tolls on canals. Ten or twelve years ago I asked in this house what logical reason could be given why a canal system should be constructed at the expense of the Canadian people, at a cost of over $300,000,000, and should be used by private interests entirely free of charge. I could see no reason for it. The only reply I received at that time came from the Minister of Finance, and was to the effect that it had always been done. That did not strike me as a very good reason. Particularly in these days, when the government is in need of revenue, unless the treaty with the United States entirely forbids, I do not see why at least there should not be a charge made for the use of canals which would pay for their maintenance. That is done in connection with the Panama canal, and in other parts of the world. I believe the average charge of sending a vessel through the Panama canal is about $4.000 or about $8,000 on a return trip. They are receiving a return of about two per cent on their investment. I would not ask for a greater return, but would suggest that surely we ought to charge sufficient to pay for maintenance.

The minister has stated that a treaty was made with the United States in 1904 providing for equality of treatment. I do not know whether the treaty goes so far as to say that there shall be equality of treatment only so far as United States vessels are concerned. I would say: Yes, let us have equality of treatment. I would say that the Canadian ship owners who use Canadian canals should pay a fair charge or toll for such use. The canals are used by private interests and for private purposes. I suppose I may expect criticism from my western friends for my attitude in this direction, and there is no doubt they will be disposed to criticize me for what I said about the Hudson Bay railway. That is quite all right; I accept their criticism. A short time ago it was hinted

to me because of my criticism of the Hudson Bay railway I might expect criticism from them concerning the Welland canal. They may criticize the Welland canal as much as they like; for my part I think it was a foolish expenditure. It will never be of any great use until it becomes a link in a complete St. Lawrence waterway system. Although I may be out of order, I must say that I hope the government will not go on with the St. Lawrence waterway scheme for a good many years to come or until we are in a better position financially than we are to-day. I suggest that the government approach the United States with a view to providing for the payment both by Canadian and United States owners of a fair sum for the use of the canals.

Item agreed to.

Canals—improvements, $433,600.

Mr. MALCOLM: What was the cost of the official opening of the Welland canal?

Mr. MANION: The work was done mostly by the employees who took part in construction and, as has been suggested to me by the Minister of Justice, much was done more or less as an act of charity and mercy. At any rate, nearly everyone who contributed to the opening ceremony gave his services free. For example, there was some radio broadcasting, and the companies interested charged nothing but their bare expenses. The ship which came through the canal was supplied by the Canada Steamship lines. They loaded the boat and brought it down without any cost, although they did not require it at that time. There was a little bit of decoration, because the Governor General was there, and naturally the show had to be put on in reasonably dignified form, but the cost altogether, I think—I am speaking from memory—was about a couple of thousand dollars, a small amount in consideration of the fact that the total cost of the canal was about $128,000,000.

Mr. MALCOLM: Can the minister give the house the percentage of Canadian tonnage that used the new Welland canal in comparison with American tonnage?

Mr. MANION: It has not been divided that way, but there was a good deal more tonnage through the canal last year, and I think a good deal more Canadian than in previous years. I happen to know that there was a lot of tonnage to Toronto and Hamilton that previously had gone by rail: I remember the railways were protesting against it. Last year there went through the Welland canal 8,500,000 tons of freight.

Mr. MALCOLM: Can the minister tell how much of the 8,500,000 tons was Canadian? Could he secure the information?

Mr. MANION: I will be glad to supply the information later, but I doubt if I will be able to supply it on this item. I do not know when I shall be able to have it.

Mr. MALCOLM: I asked the question, in view of the remarks of my hon. friend from North Waterloo (Mr. Euler). There is a strong feeling in the minds of business people of this country that the cost of the Welland canal, a rather substantial investment for this country, will bear much heavier on the Canadian taxpayer than on the American, whereas the advantages will be in the aggregate very much more to the American shipper than the Canadian shipper. I would not like to say I would advocate the institution of tolls on our canal system, but the fact must be borne in mind that if the whole St. Lawrence waterway system, of which the Welland canal is a part, is to be made free it is altogether probable that nine-tenths of the use of it will be by vessels of American registry and about one tenth by vessels of Canadian registry. I think before one can intelligently discuss the question whether or not we should impose tolls on tonnage going through the Welland canal we would have to have some information as to what the proportion of tonnage is between the two countries and an estimate of what it may be in future.

The other argument which the minister referred to, namely the loss to our national railways by virtue of the Welland canal diverting tonnage, is an argument probably strongly in favour of tolls on the canal system. Iron ore consigned to Hamilton and lake Ontario ports used to provide a very considerable tonnage for the national railways from the Point Edward docks near Sarnia. I think those familiar with the movement of iron ore know that there are many thousand specially built ore cars lying idle on sidings since the Welland canal was opened last year, the ore now comes through the canal without paying any toll, with a distinct saving to the shippers of the ore from the upper lakes. I think the minister would be well advised to secure all the data he can as to just what the loss is to the national railways by the diversion of tonnage through the free canals; and also what the tonnage through the canal system has been, divided between Canadian and American ships. With that information before us we will be in a much better position to deal with the question of tolls.

Mr. McGIBBON: Do you not think you would also have to take into consideration the Canadian tonnage that goes through the Panama canal?

Mr. MALCOLM: My hon. friend knows that the Panama canal charges tolls.

Mr. McGIBBON: Not more on Canadian than on United States ships.

Mr. MALCOLM: We pay the same.

Mr. MANION: I will gladly endeavour to get the information asked for.

Mr. RALSTON: I wonder if the minister is absolutely convinced of the urgency of this particular item. It looks this way to me; we are supposed to have completed a canal costing $128,000,000; we opened it a little while ago. We now propose to vote nearly $2,000,,-000 more, I presume to pay for what has already been done. Then we propose to add to that nearly half a million for improvements. Is it not possible to defer these improvements in view of the financial stringency that exists? Half a million dollars is not large in comparison with the total cost of the canal, but it is when you consider the interest on the capital sum.

Mr. MANION: This item is not for work on the Welland canal alone. There is a certain amount of it to be spent on improvements, for instance, docks, such as are built on the Welland canal, and from these there is a very good return. We find that docks for handling oil and package freight pay a good charge, in fact some of them it is estimated pay for themselves in a very few years. The Department of Railways and Canals has an income from various things of this kind, including small water powers on the different canals, amounting to about $1,000,000 a year.

This item that my hon. friend speaks of is made up of improvements on many of the canals; for example, the Murray canal, a small canal near Trenton, a small item, $1,700 for reinforced concrete two-path bridge over a little creek. These canals were built over the last seventy years or more at a cost of a quarter of a billion dollars, and of course unless we wish to let them close up altogether we have to keep their walls properly in repair, there are bridges over them that we must keep in repair, there are docks to be built on most of them, but from them we get an income. Things of that sort we cannot get away from. This year it is a little higher than last year, but generally speaking it has been cut down materially. In addition to that Murray canal there is on the Carillon and Grenville canal a pair of lock gates to be replaced, another pair of a different height; reconstruction in concrete of the end of a guide pier at the upper entrance of this same canal, altogether amounting to about $16,000. On the Lachine canal, there is the renewal of the lower entrance of the south lock. I think that is the part hit by a steamship last year and badly smashed. We got damages from the steamship company by suit. Then a scow is required costing $4,000. On the Ste. Anne's lock there is the complete refacing in concrete of an old crib on the north side, costing $4,400 and the rebuilding of the upper lock gate, $4,850. Many of these structures that are being rebuilt or repaired are twenty, thirty or forty years old and simply have to be repaired unless we let the canals go into disrepair. Then there are the Soulanges and Trent canals. On the Welland canal there is an item of $85,000 which really, I think, may justly be charged to capital account; it is the filling of the old Welland canal through the city of St. Catharines. We have unwatered that, the new canal is now being utilized, the old course makes an ugly scar right through the riding of the hon. member for Lincoln (Mr. Chaplin). The people of St. Catharines claim it cut their city in two, which it does, and I think, in spite of the hilarity of my hon. friends opposite—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: I think, in spite of the hilarity of my hon. friends opposite, it is a very just claim, and I might say we had quite an argument. But when it is pointed out that right through the centre of the city of St. Catharines there is that ugly gap that fills in with stagnant water from the old locks, I think it can be justly said that it is the duty of the government to put in some ordinary filling. There will be some salvage from it because this land through the centre of St. Catharines will in consequence belong to the government.

Mr. RALSTON: Any sale for it?

Mr. MANION: I imagine it will bring in a fair return because St. Catharines, as someone beside me says is no mean city. As regards the Welland ship canal, there is an item of $118,000 in connection with the completion of a wharf at Welland South. That is one of the items I mentioned as bringing in a very good traffic return. The ships passing through all these towns all pay for dockage facilities. Tonnage is charged on every one of them, and my engineers inform

me that in this particular instance the work will pay for itself within a comparatively short period. These items are all necessary, or I can assure my hon. friend that they would not have been in the estimates. The estimates have been pared down considerably but these are necessary expenditures in various sections of the canal system of the country.

Mr. McGIBBON: What is being spent on the Trent Valley canal, and what is the revenue?

Mr. MANION: The amount is $89,000, but it is scattered from Murray canal at one end right up to nearly Georgian bay at the other. It is a long canal. As to income, I grant that there is not much except what we get from the very small power sale on the canal. Most of these canals, like the Rideau canal going up to Kingston, for instance, are used largely for tourist traffic, and the people in the neighbourhood claim that motor boats from across the line provide fairly heavy traffic, which gives a direct revenue to the people and an indirect revenue to the government. In these times, it might be argued, we might let the canals go to ruin, but it would hardly be a popular move. The people are of the opinion that since they have been built and they have their advantages, even if only from the standpoint of tourist traffic, they are worth keeping up.

Mr. RALSTON: The item is unintentionally deceptive in the heading, which suggests maintenance. I do think the minister might well have hesitated a little longer before putting in $85,000 for filling up the old canal, and calling that improvements. I do not think this is the year to spend money for such purposes. In Montreal there is a considerable gash across the face of the landscape and I have not heard anyone suggest that it should be filled up.

An hon. MEMBER: It is better left open.

Mr. RALSTON: Someone might say the same about this canal. The $118,000 is a revenue-producing item but there are a number of other items to which the minister has not referred. We are sitting here blithely voting away money although we do not know where it is coming from. I think every effort should be made to cut down the estimates as far as possible.

Mr. MANION: I agree with much of what the hon. gentleman has said, but it does not follow that because these items are in the estimates the money will necessarily be spent. Last year we were down hundreds of thousands in our expenditures, and that is true of nearly all departments. The Public Works department was down markedly. We estimate that a good deal of the money now in the estimates will probably not be spent; it is there in case of emergent need. There is also the argument that if the government shuts down entirely on all these works it will encourage private corporations to follow suit, and John Maynard Keynes argues that instead of shutting down on public works governments should spend generously. It is a debatable point. Personally I do not think that the government should absolutely close the doors on all public works, though I agree with my hon. friend that we have to be careful in times like these, and I think the government is being exceedingly careful.

Mr. COWAN (Port Arthur): The minister referred to an agreement with the United States whereby no tolls were to be charged on canals. In that agreement is there any provision for its termination or is it for a fixed length of time?

Mr. MANION: The agreement provides that the ships of the two countries shall be treated in the same manner but by mutual consent the arrangement can be terminated at any time.

Item agreed to.

Board of Railway Commissioners for Canada —maintenance and operation, $250,080.

Mr. RALSTON: I wish to renew the representations I made last year with regard to an appeal which was taken from the Board of Railway Commissioners to the Privy Council of Canada, and which is still before council. That appeal relates to the equalization of grain freight rates as between Quebec and Halifax and Saint John. The case was appealed considerably over a year ago. It was taken to the Board of Railway Commissioners and then to the Privy Council of Canada, and at that time I understood that a general assurance was given that the matter would be disposed of. It is still held up. At the present time, although the old differential was one cent as between Quebec and Saint John and Halifax, by a decision of the board the rate is 18 cents and the maritime ports are asking that the differential be made the same as it was before the new rate was given to the port of Quebec. I would urge upon the government the disposition of this matter. If it is really intended not to deal with it or to give a decision, then the maritime ports are entitled to a declaration to that effect.

Mr. MANION: The matter for one reason or another has not been disposed of, but I

may say that I was informed, though quite unofficially, that the present arrangements were altogether satisfactory to those who were asking for the appeal to be disposed of. That information may be entirely wrong but at any rate the matter will be dealt with in the near future. Did I understand my hon. friend to refer to American ports?

Mr. RALSTON: I said maritime ports.

Mr. MANION: Because I was going to say that the rates as they stand to-day are really on an equal basis from the head of the lakes in Canada to the maritimes, and from Duluth and Chicago to American ports. The rate my hon. friend speaks of, the Quebec rate plus one cent, is the only one that is out of line. I may point out that the Canadian railways have taken the attitude that even if that rate were put on the same basis as the Montreal rate, the one cent differential would not increase the amount of grain going through the Canadian ports. We hope however that the amount of grain going through the Canadian ports will be increased materially as a result of the agreements entered into. As regards the decision, the question has not been brought to my attention recently but I shall look into it. I agree with my hon. friend that appeals of that sort should be disposed of. However, he must remember that the governor general in council of the government is not a rate making body, and it is a very difficult thing to handle a subject of that kind. So far as I know, no government in the past has ever made a rate after an appeal from the railway commission to the privy council; in practically all cases the matter is referred back to the commission. It is true that in the case of the Crowsnest pass rate this was done, but otherwise parliament has not been in the habit of considering itself a rate making body. There is perhaps no question in the whole Canadian domain more complicated, more technical and more difficult to deal with than that of freight rates.

Mr. RALSTON: I appreciate the assurance of the minister that the matter will be disposed of. The situation was that the grain rate to Quebec was substantially reduced. Previous to that reduction there had been a one cent differential between the rate to Quebec and the rate to Saint John and Halifax, and after the reduction was made the maritime ports asked that the same differential be put into effect. This would have made a substantial reduction in the rate to those ports. So important was it regarded that the board of trade and the harbour commission of Halifax united in an application to the board of railway commissioners. There was also considerable newspaper agitation about this matter. The decision was adverse and the matter went to the privy council. I have not heard it suggested that this matter be abandoned or that it is not of interest. The same situation exists to-day as existed at the time the application was launched. If the minister has any intimation of this kind, it seems to me, in justice to the government and to the country, that it ought to be made known. There should be a disposition of the matter one way or the other.

Mr. MANION: The information I have is quite informal, but it may be entirely correct. I happen to have in my pocket a map which I have found very useful showing the rates between ports. It is worth remembering that recently a reduction was made in rates from the Canadian head of the lakes to maritime ports. This rate is now five cents lower per hundred pounds than the rate from Duluth and Minneapolis to New York, and five cents lower per hundred pounds than the rate from the Canadian head of the lakes to New York. There is certainly a differential favourable to the maritimes. The special rate given to Quebec by the board of railway commissioners was 18·34 cents per hundred pounds, and it is argued that this rate, plus a differential of one cent, should be carried through to Saint John and Halifax. This would make a 19·34 rate as against the present rate of 30 cents. It might be interesting to note that since the lower rate went into effect to Quebec the amount of grain handled through that port has not increased, and it is quite possible that if this rate plus the differential were continued to the maritimes it might not prove to be any better for those ports.

Mr. RALSTON: All I ask is that it be tried.

Item agreed to.

Miscellaneous services—including salaries and expenses of experts employed temporarily, $50,900.

Mr. SANDERSON: What is the explanation of the increase of nearly $9,000 in this item?

Mr. MANION: The increase represents the difference between an item of $14,000 required this year for surveys and inspections, Beauharnois, and a decrease of $5,010 in the

amount provided in last year's vote and not now required. The vote is made up as follows:

Administration of department, $3,822.

This includes such things as communication services, personal services, supplies and materials and small travelling expenses. Then there is:

Government officials' cars, operation and maintenance, $26,078.
Governor General's cars, repairs, $7,000.
Surveys and investigations, Beauharnois, $14,000.

I can give further details if my hon. friend so desires.

Mr. SANDERSON: Does that item as to official cars include the private cars of the ministers?

Mr. MANION: There is exactly the same number of private cars for the use of ministers. The same service is maintained but occasionally the cost of repairs would be more one year than for another.

Mr. SANDERSON: Is there an increase in that item?

Mr. MANION: There may be, but my deputy apparently cannot give the details. I can promise my hon. friend that these details will be furnished before the estimates are completed.

Mr. SANDERSON: Will the minister allow this item to stand?

Mr. MANION: Gladly.

Item stands.

Surveys and inspections, canals—including salaries and expenses of experts employed temporarily, $9,300.

Mr. POWER: What does this vote cover?

Mr. MANION: It is to cover any surveys or special or extraordinary investigations which may be made. It is an annual vote and has been voted for many years. If there is a special investigation in connection with a canal or other special work, this vote is used for the purpose. The details of the expenditures to November 30th last year are as follows:

| | |
|---|---|
| Communication services | $1,376 19 |
| Miscellaneous current expenditures | 39 50 |
| Personal services | 42 48 |
| Supplies and materials | 618 37 |
| Transportation | 48 13 |
| Travelling expenses | 12 25 |
| Contracts and agreements | 306 95 |

The total expended last year to November 30 amounted to $2,443. As a matter of fact, the item has been put in for a number of years and is left there, but rarely spent.

Item agreed to.

Railway employees' provident fund—to supplement pension allowances payable under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum payments during the period January 1, 1933 to March 31, 1934, the sum of $30 per month instead of $20 as fixed by the said act, $29,000.

Mr. MacLEAN: Will the minister give a full explanation regarding this money that is voted each year to supplement pension allowances? It seems to be hard for our railway men in the maritimes to understand it, and it is a great deal of trouble trying to explain it to them. I cannot understand it.

Mr. MANION: In a word, it is because the minimum pension was formerly $20 and, because of the cost of living, it was raised to $30. Consequently, the cost to the government is greater than it used to be. If the hon. member so desires, I can read the statement which will explain the matter a little more fully.

Mr. MacLEAN: Do I understand that all men who receive pensions get $30?

Mr. MANION: Yes, under the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act, they receive a minimum of $30. They may receive more. The minimum pension, as I say, used to be $20 and it was increased to $30. It was because of the difference between the $20 and $30 that the item had to be inserted. It is an item which costs the railway a good deal more than that. I do not know that I can give the exact figure. At the present time this amount of $29,000 is for the difference in the amount of pension.

Mr. MacLEAN: Quite a number do not receive $30. Would that be because they did not have the length of service, or would it be for some other reason? Some receive $22, $24, $25 and so on. They want to know why they do not receive the $30.

Mr. MANION: My deputy, who is a railway man, says that none of them receive less than $30. If my hon. friend will give me a specific case, I shall gladly look into it. My information is that the lowest pension received by anyone who has a right to a pension, is $30.

Mr. MacLEAN: I shall be glad to write my hon. friend and give him the information.

I do not know whether I would be in order in referring to this matter now, but last year there was a very serious railway accident in my locality and claims for compensation are still pending. I do not know whether the

minister has any information about the matter, but I hope, if it is brought to his attention, he will give it his sympathetic consideration, because it was a very serious accident where many lives were lost. The men were called out and the blame apparently rests on the railway for carelessness in some form for the loss of those lives. I think every consideration should be given to the claims.

Mr. MANION: I may point out to my hon. friend that of course the government or the minister has nothing whatever to do with a case of that kind; it is one which is in the hands of the railway company. Anyone in an accident on the Canadian National has of course the same redress as he has were the accident on the Canadian Pacific. Generally speaking, I think both railways endeavour to be fair and just to people who have suffered in an accident. I shall gladly draw my hon. friend's remarks to the attention of the railway company, but that is all I can do, because, no matter how sympathetic I may be to the unfortunate people who were in the accident, I have no control in the matter.

Mr. SANDERSON: Before we pass to the next item, I should like to ask the minister whether the salaries of the board of railway commissioners, as authorized by statute, are subject under the income tax, to the ten per cent reduction?

Mr. MANION: They are treated just the same as other government employees.

Mr. REID: With reference to the board of railway commissioners, in the session of 1931 I brought to the attention of the house the question of who was to enforce decisions given by the board. It was pointed out that in British Columbia a decision had been given and the Canadian Pacific for two years had refused to pay any atttention to it. I believe some teeth should be put into the act so that when appeals are made before the board and a decision is given, there should be some power or authority to see that the judgment is carried out.

I understand another case arose last year when an appeal was made by interests in Quebec and a decision was given whereby the rate from Quebec to Saint John was lowered. The Canadian National has complied with that, but the Canadian Pacific has not. My understanding was that the board of railway commissioners was set up to conduct matters equitably between the people of Canada and the railways, so that if an injustice arose either way, an appeal could be made. If an appeal is made for an increase in rates and a decision is given by the board granting the appeal, the increase simply goes into effect and the only redress we have is an appeal to the governor general in council. But where the decision is against the railway company, the latter can simply ignore the decision. If we are to have a board of railway commissioners to act equitably between the people and the railways, teeth should be put into the act so that when a decision is made, there will be some authority to compel the railway to comply with that decision.



Mr. MANION: There is in the board of railway commissioners exactly the same authority as there is in any other court in Canada. Once they give a decision, that is a judgment of the court, and an order is given that it shall be carried out. It is true that the railways may appeal to the Supreme Court of Canada on a question of law, and that appeal might delay the carrying out of the order. If my hon. friend would visit the board, as he has a perfect right to do, and ask the secretary to explain why such an order was not carried out, I am sure he would be given the correct information. I cannot give it because I know nothing about the case. I have no more control over the board than I have over any other court in Canada. I have heard no complaints that orders of the board are not being carried out. If the hon. member will take the matter up with the board, I am sure the secretary will explain the matter as I am not in a position to do.

Mr. REID: I took the matter up in connection with freight rates, and the information was given me that the Canadian National had carried out the order making the rate eighteen cents a bushel. The Canadian Pacific simply disobeyed the order, and their rate is thirty-five cents, with the result that twice the quantity of grain has been shipped at the cheaper rate. The point I want to bring up is that on many occasions when the board has made a ruling, the Canadian Pacific has simply ignored it. If we are to have a costly court such as the board of railway commissioners, there should be some authority behind it. The only recourse we have is to the governor general in council.

Mr. MANION: The governor general in council has no authority over an order of

that kind. I can hardly believe the Canadian Pacific would maintain a rate double that of the Canadian National, because in that case the Canadian Pacific would get no business; the Canadian National would get it all.

Mr. REID: There was a case in British Columbia two years ago.

Mr. MANION: If the hon. member will write me about it, I shall be glad to make inquiries, but neither the government nor I as minister have any power over the board of railway commissioners. It is a court and carries on of its own authority. Of course it is true there are appeals from that court to us after a judgment is given, but once their judgment is given, I think there are methods whereby the board can easily insist on the judgments being carried out. If my hon. friend will draw the matter to their attention, I am sure they will see to it.

Mr. REID: I shall endeavour to find out.

Mr. MALCOLM: Can the minister advise us whether, in the case of an appeal against a lower rate, the board has a right to allow the existing rate to stand until the appeal is settled? Where by a decision of the board a higher rate is granted, that rate automatically goes into effect and those complaining have a right to appeal. The case pointed out by my hon. friend is that the ruling of the board was for a lower rate and the railway appealed against the rate and did not apply the lower rate to the tonnage offered pending decision on the appeal. I am asking the minister has the board of railway commissioners the right to allow the existing rate to stand while the railway companies are appealing against a lower rate order.

Mr. MANION: I presume the board has that right, but I should not like to express a legal opinion upon a matter of that kind. But suppose the board had ordered a lower rate, and that lower rate was sustained, I presume that the people who had paid the higher rate would be entitled to compensation.

Item agreed to.

To provide for the payment of salaries and expenses in connection with the St. Lawrence ship canal surveys and investigations, including D. W. McLachlan at $1,350 and G. W. Yates at $1,089, $38,500.

Mr. MACKENZIE KING: Are the gentlemen whose names are mentioned in the item members of the civil service?

Mr. MANION: Yes, both Mr. McLachlan and Mr. Yates are members of the civil service, but for many years, even under the regime of my right hon. friend, they were given this special allowance, and in order to legalize the payment it has to go through the estimates.

Mr. MACKENZIE KING: My point was that I think the item should include the words "notwithstanding anything in the Civil Service Act." Otherwise I imagine the Auditor General would not have the right to pay these amounts because under the Civil Service Act the members of the service are precluded from getting any additional compensation for anything unless parliament specifically states otherwise.

Mr. MANION: Without arguing that those words should be included in the item, I take it that once the item is passed by parliament the Auditor General will be justified in permitting these allowances to be paid.

Mr. MACKENZIE KING: I have always understood that it was necessary to include the words "notwithstanding anything in the Civil Service Act."

Mr. MANION: If that is the case, they will probably be without the allowance for the coming year.

Mr. MACKENZIE KING: Is there any possibility of the treaty with respect to the St. Lawrence waterway coming before parliament this session?

Mr. MANION: I should not think it is likely because it is generally understood that until the treaty has been adopted by the United States it will not be dealt with by this parliament, and it is hardly likely that the treaty will be adopted by the United States congress at its present session, although I understand that it was reported from committee to the United States Senate within the last couple of days.

Mr. MacLEAN: Have not representations been made to the minister to have the operations of the car ferry steamer not charged to the Prince Edward Island division? I understand that representations have been made from year to year by boards of trade throughout the maritimes that these operations be charged to capital account.

Mr. MANION: My hon. friend is wrong in saying that they are charged to the Prince Edward Island division. They are charged to

the Intercolonial as a part of the operating expenses of the Canadian National railway, and they would appear in the deficit of the railways. I have had such representations made to me as the hon. gentleman mentions, but quite frankly I am of the opinion that the Prince Edward island people are not particularly wise in taking that attitude. But they do take it, and it will have to be considered.

Item agreed to.

Progress reported.

On motion of Mr. Guthrie, the house adjourned at 5.58 p.m.

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## Monday, February 13, 1933

The house met at three o'clock.

### UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to table several orders in council passed in pursuance of the relief legislation which I was unable to table on Friday last.

### CRIMINAL CODE AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved for leave to introduce Bill No. 24, to amend the criminal code (unlawful associations).

He said: This is the bill which I sought to introduce last year. It seeks to repeal the section of the criminal code dealing with unlawful associations. Legislation along this line was introduced as far back as 1922 and 1923. A somewhat similar bill was introduced by Mr. McMaster, then member for Brome, in 1925, and a bill for the repeal of this section was introduced by the government in 1926, 1928, 1929 and 1930, and on all occasions passed this house. In 1929 it failed to pass the Senate by only three votes.

When we first introduced this bill some years ago it was said that the matter was a dead letter and would never be used. However, at the present time there are some eight men in Kingston penitentiary, serving sentences because of the violation of this legislation. I may say that so startling is the extent, so radical the character of this legislation that these men, guilty of no overt act whatever—

Some hon. MEMBERS: Order.

Mr. SPEAKER: At this stage it is not permissible to argue the bill, but merely to explain its provisions briefly. Discussion of the merits may take place upon the motion for the second reading.

Mr. WOODSWORTH: I took occasion to read carefully the rules, and I think there is no prohibition whatever of an explanation of this bill at this stage.

Mr. HANSON (York-Sunbury): The Speaker has ruled that there is.

Mr. SPEAKER: All the hon. member is permitted to do at this time is to explain the provisions of the bill. I think that has been done. The merits can be discussed on the second reading. If the hon. member is ready, I will put the motion for the first reading.

Mr. WOODSWORTH: I submit there is nothing whatever in the rules to prevent me speaking at this time on the bill.

Mr. SPEAKER: I have already ruled on the question.

Mr. WOODSWORTH: Then I must appeal against your ruling. I submit Your Honour is under obligation to point out the rule that prevents me speaking at this time. I did so last year. After careful consultation—

Some hon. MEMBERS: Order.

Mr. SPEAKER: In rule 38 will be found the motions that are debatable. The motion which the hon. member now introduces is not included among those, and is therefore not debatable.

Also I refer to rule 71:

When any bill is presented by a member, in pursuance of an order of the house, or is brought from the Senate, the question "that this bill now be read a first time," shall be decided without amendment or debate.

Mr. WOODSWORTH: I submit it is not debate if I explain my bill.

Mr. SPEAKER: The hon. member was talking about people who are now in the penitentiary because of the provisions of the criminal code, which has nothing to do with explanation of the bill he seeks to introduce. I must ask the hon. member to conform to the rules and usages of the house.

Mr. WOODSWORTH: Mr. Speaker, I am trying to do so.

Mr. SPEAKER: The hon. member knows quite well he is not trying to do so and is not doing so. He has explained what the bill now before the house is about, and I am prepared to put the first reading of the bill, not to listen to a debate.

Mr. WOODSWORTH: Mr. Speaker, you said that I know I am not conforming to the rules of the house. I say that is not true.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I call the hon. member to order. I have no desire to impede his legislation or cut off debate, but unless the standing orders of the house are conformed to, no business can be transacted.

Mr. WOODSWORTH: For the moment I am on a point of order. You said, Mr. Speaker, that I knew I was not conforming to the rules of debate. That is not true.

Mr. SPEAKER: It is quite apparent, the Speaker having read the rule to the hon. member and he having a complete understanding of English, must know he is out of order.

Mr. WOODSWORTH: That is merely the Speaker's opinion.

Mr. SPEAKER: I call the hon. member to order.

Mr. WOODSWORTH: I am trying to explain—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Does the hon. member wish the motion put for first reading?

Mr. WOODSWORTH: I wish to explain the amendment.

Mr. SPEAKER: I have had a sufficient explanation. Is the house ready for the question?

Motion agreed to and bill read the first time.

## PENITENTIARY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 25 to amend the Penitentiary Act.

Some hon. MEMBERS: Explain.

Mr. REID: The object of this bill is to limit the hours of duty of guards in penitentiaries to eight hours a day, and to fix the same limit for hours of labour by the convicts.

Motion agreed to and bill read the first time.

## POSSESSION OF FIREARMS

On the orders of the day:

Mr. WILFRED HANBURY (Vancouver-Burrard): Before the orders of the day are proceeded with I should like to direct a question to the Minister of Justice (Mr. Guthrie) as to whether the government contemplates introducing legislation at this session further to restrict the possession of firearms.

Hon. HUGH GUTHRIE (Minister of Justice): The question of such an amendment to the criminal code is under consideration. That is all I can say to the hon. member.

## DEPORTATIONS

On the orders of the day:

Hon. PETER HEENAN (Kenora-Rainy River): I am sure we are all glad to see the Minister of Labour (Mr. Gordon) back in his place looking so well. I was wondering if his attention had been directed to the question I brought forward with respect to some proposed deportations and, if so, if the hon. gentleman is in a position to give any statement to the house at this time.

Hon. W. A. GORDON (Acting Minister of Immigration): Mr. Speaker, the question directed by the hon. member for Kenora-Rainy River (Mr. Heenan) was drawn to my attention, and I have had an opportunity to go into the records in connection with the cases referred to. I may say that I doubt the wisdom of spreading upon the public records the details of these deportation cases. One reason, among others, for this feeling, is that these unfortunate people have relatives, and I do not think it is desirable to advertise their misfortunes. Nevertheless I am going to answer the question of the hon. member.

The first case, that of a man known as Tom Kirbride, whose correct name I think is Joseph Kirbride, falls within section 40 of the Immigration Act, which reads:

> Whenever any person, other than a Canadian citizen or person having Canadian domicile, shall be found an inmate of or connected with the management of a house of prostitution or practising prostitution, or who shall receive, share in, or derive benefit from any part of the earnings of any prostitute or who manages or is employed by, in, or in connection with any house of prostitution or music or dance hall or other place of amusement or resort habitually frequented by prostitutes, or where prostitutes gather, or who in any way assists any prostitute or protects or promises to protect from arrest any prostitute or who shall import or attempt to import any person for the purpose of prostitution or for any other immoral purpose, or who has been convicted of a criminal offence in Canada or who admits the commission prior to landing or entry to Canada, of a crime involving moral turpitude, or has become a professional beggar or a public charge or practises polygamy, or has become an inmate of a penitentiary, gaol, reformatory, prison, asylum or hospital for the

insane or the mentally deficient, or an inmate of a public charitable institution, or enters or remains in Canada contrary to any provision of this act, it shall be the duty . . .

and so on. As I have said, this case falls within this section; the man was tried in our courts and convicted of one of the offences set out in this section. A court of inquiry sat on the case under the Immigration Act; an appeal was entered and I ordered his return—I think properly—to the country of origin.

The next case is that of a man by the name of J. Waldon. A careful search of the records of the department has not disclosed that any such person is under observation.

The next case is that of John Harris and family, who were ordered deported by a board of inquiry after having become public charges. I reviewed this case. The board of inquiry was quite within its rights in ordering the return of these people to their country of origin. But after carefully going into the question, on January 13 last I decided that in this case it would be proper not to invoke the order of deportation. I think probably the family will become established here.

The other case is that of Fred Booth. This case is still under investigation by the officials of the department, and as yet I have not been called upon to pass on the question of whether or not this alien should be returned to his country of origin.

## EXECUTIVES IN BRANCH PLANTS

On the orders of the day:

Hon. JAMES MALCOLM (North Bruce): I should like to ask the Minister of Labour (Mr. Gordon), who is also the acting Minister of Immigration, whether it is the intention of the government to allow United States industrial concerns having branches in Canada to dismiss Canadian executives and replace them with American executives brought from their plants in the United States. I am asking this question because I have received information, which I have reason to believe is true, that General Motors of Canada and some other United States concerns have dismissed practically all their division heads who were Canadian citizens, and have replaced these men with executives from United States plants. Some time ago I spoke to the minister privately with regard to this matter, and I trust that he is in a position to answer this question to-day.

Hon. W. A. GORDON (Minister of Labour): I can assure the hon. member that nothing is further from the mind of this



government than to permit such a practice as has been suggested. There are occasions when it becomes necessary in the ordinary course of business practice to permit the entry of persons skilled in particular trades or activities. Since I have been acting as Minister of Immigration I have endeavoured at all times to seek the best possible sources of information when applications come to the department with regard to the entry of persons who are said to be necessary to the carrying on of a business. On many occasions, as hon. members opposite know, I have referred to members of this house, and under my hand I have a list of persons whose entry into Canada has been recommended by members on both sides of the house. I do not know that it would serve any useful purpose to read these names, but I would be very glad to show the list to any hon. member who might desire to see it. I think I have a right to rely, as I do with confidence, on any recommendations that may be made by any member of this house with respect to matters of this kind. I have rarely found that any member has been careless in his advocacy of the admission of a very necessary skilled man in the carrying on of the industrial life of this country, and I hope it will continue so. But I can assure the hon. member that at no time would the government countenance the dismissal of the Canadian heads of industry, even in a minor capacity, to be replaced by someone from a foreign country. The subject is an intricate one. It is most difficult for one completely to encompass the complexities of all industries in this country, but I can assure the house that my officials and myself will take every possible action towards preserving to the Canadian workman and to the Canadian heads of departments in industry the position which is rightfully theirs.

## WORLD ECONOMIC CONFERENCE

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I ask the Prime Minister whether the government will submit to this house the agenda of the World Economic conference, which I think has been released outside Canada.

Right Hon. R. B. BENNETT (Prime Minister): I have not yet received any official agenda that has been agreed upon. When it is received it will be laid before the house if the house is in session.

## SHIPMENTS OF GRAIN

INTERPRETATION OF PROVISIONS OF BRITISH IMPORT DUTIES ACT 1932

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Has the government received yet any definite information from the government of Great Britain as to what rules, regulations, orders and so forth must be complied with by shippers of Canadian grain to take advantage of the British preference?

Right Hon. R. B. BENNETT (Prime Minister): The government has received no further regulations than those which were placed upon Hansard during the discussions upon the agreements. There has been no change in the statute law of Great Britain. The Imports Act still is as it was when the agreements were signed, and the statute provides—and the agreement follows the statute—that grain must originate in Canada and be consigned from Canada to the United Kingdom, to receive the benefit of the preference. As regards the shipments that have gone forward from New York, the first one was not satisfactory from the standpoint of the identity of the grain. The second one, while satisfying the authorities as to identity, was not consigned direct from Canada but was consigned from Canada to another country, and some weeks later was reconsigned from that country to Great Britain, and therefore did not come within the provisions of the Imports Act.

Mr. GARLAND (Bow River): What about later shipments?

Mr. BENNETT: That is the one I have just mentioned.

## WHEAT MARKETING BOARD

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): On Friday, February 3, I directed a question to the Prime Minister in regard to the establishment of a national wheat marketing board. The Prime Minister replied that there had been no consideration given in an international way to any domestic policy of this nature. May I ask the right hon. gentleman whether his government has given any national consideration to this question. If so, will he make a statement to parliament and the country.

Right Hon. R. B. BENNETT (Prime Minister): No consideration has been given to the matter at this particular time nor at any other time. It will be within the memory of hon. members that in 1930, and I think in the previous year or years, efforts were made to induce the government to establish a national wheat board. Those efforts did not succeed; they have not yet succeeded.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PURCHASE OF LABRADOR FROM NEWFOUNDLAND

*Mr. LAVERGNE:

1. Has the government of Canada had any correspondence with the government of Newfoundland with respect to the return of Labrador to the province of Quebec?

2. If so, is the government in a position to reveal such correspondence and the result of such negotiations?

Mr. BENNETT: This question I should like to answer orally because there is another matter in connection with it which was referred to on a previous occasion, and to which I desire to make passing reference. I can only say that the government received a photostat copy of a letter purporting to be addressed by the Secretary of State, the Hon. J. C. Puddester, of the government of Newfoundland, to Joseph deChamplain, Esq., Newfoundland Hotel, St. John's Newfoundland, under date October 13, 1932, and a letter dated November 16, 1932, signed by F. C. Alderdice, premier, addressed to Mr. deChamplain. The first letter reads:

Dear Sir:

Your letter of the 12th instant, concerning sale of Newfoundland-Labrador to the Dominion of Canada, was brought to the notice of the executive government at the meeting last evening, and in reply I am to say that the government will consider any concrete proposal that you may bring to them during the next sixty days.

Yours sincerely,

J. C. Puddester,

Secretary of State.

The second letter, dated November 16, is as follows:

Dear Sir:

Answering your letter of the 15th instant.

If the government of the Dominion of Canada is prepared to open negotiations for the purchase of Labrador, I shall be pleased to place any proposition in this connection before my colleagues.

Yours sincerely,

F. C. Alderdice

In that regard it will be recalled that on January 30 the hon. member for Shelburne-Yarmouth (Mr. Ralston) asked me a question as to whether or not any proposals had been made looking towards the political union of

Newfoundland with Canada. The question was asked without notice and I answered:

. . . no correspondence of any kind. Last fall, after a conference took place here, I think a personal letter was written to me by the Prime Minister of Newfoundland stating that if the matter were to be considered, ample opportunity would be afforded for discussion, something of that sort.

I think the words I used were, not "a conference" but "the conference," referring to the Imperial conference, because there was no other conference between us. I have looked carefully into the subject and I find that my memory was correct when I said that there was no communication of any kind, official or unofficial, between the premier of Newfoundland and myself, or any member of the government, with reference to the union of that dominion and Canada. The only communications were those touching Labrador, in the form of photostat copies of letters addressed by Newfoundland ministers to Mr. deChamplain.

TOTAL BONDED DEBT OF CANADA

Mr. MACKENZIE (Vancouver):

1. What is the total bonded debt burden of the Dominion of Canada including federal, provincial and municipal authorities and corporations?
2. Of the above amount, how much is due during the present year: (a) in the United States; (b) in Canada; (c) in England?
3. Of the federal government's direct obligations, how much is payable (totals and percentages): (a) in Canadian funds; (b) in U.S.A. funds; (c) in sterling?
4. Of the federal government's guaranteed obligations how much is payable (totals and percentages): (a) in Canadian funds; (b) in U.S.A. funds; (c) in sterling?
5. Of the provincial government's direct obligations how much is payable (totals and percentages): (a) in Canadian funds; (b) in U.S.A. funds; (c) in sterling?
6. Of the provincial government's (guaranteed) funds, how much is payable (totals and percentages): (a) in Canadian funds; (b) in U.S.A. funds; (c) in sterling?
7. What is the total interest payable on Canadian bonds in 1933: (a) in Canadian funds; (b) in U.S.A. funds; (c) in sterling?
8. Of the total federal government's direct and guaranteed obligations for 1933, how much is for principal and how much for interest?

Mr. RHODES:

1, 2, 5, 6 and 7. Not of official record.

3. (a) $2,013,201,570; 74·13 per cent; (b) $391,040,900; 14·40 per cent; (c) $311,668,137; 11·47 per cent.

4. (a) $63,492,000; 6·36 per cent; (b) $620,-035,000; 62·18 per cent; (c) $313,788,000; 31·46 per cent.

8. Dominion debt: principal, $279,971,850; interest, $132,804,100.

Dominion Guaranteed debt: principal, $2,-376,552.86; interest, $45,125,064.12.

[Mr. Bennett.]

Mr. BENNETT: As regards this question, the government cannot assume responsibility for the correctness of figures except with respect to the Dominion of Canada, because provincial, municipal and corporate borrowings are not registered with the dominion in any sense, and the government can but rely on information that is equally available to the hon. gentleman who asks the question.

GOLD PURCHASES

Mr. BLAIR:

1. How much gold did the Dominion government buy from the province of Ontario during the last fiscal year?
2. How much did they pay per ounce for this gold?
3. How much gold did they buy from the other provinces?

Mr. BENNETT: Perhaps the hon. gentleman will observe that this question is duly answered in the form in which it appears by saying, "none." What the hon. member probably means is the gold produced in the province of Ontario because no gold was purchased from that province, it not being a seller of gold.

Question stands.

ADVANCES TO SOLDIER SETTLERS

Mr. SPENCER:

1. What is the total sum of money to date for all advances made to soldier settlers including land purchase, removal of incumbrance, permanent improvements, purchase of stock and equipment, seed and feed, breaking, food and other supplies?
2. What is the total amount of principal, and the total amount of interest (separate items) repaid by soldier settlers to date?

Mr. GORDON:

1. $117,670,711.02.

2. Principal, $33,305,517.61; interest, $15,-859,400.17.

ROYAL CANADIAN AIR FORCE

Mr. COOTE:

1. How many officers are there at present in the Royal Canadian Air Force?
2. How many of these officers are above the age limit as set forth by regulations?
3. How many officers were released from the Royal Canadian Air Force on April 1, 1932?
4. How many of the non-permanent officers released have been reengaged and granted permanent commission?
5. How many of the above officers thus reengaged are returned men?
6. How many of the above officers thus reengaged are married men?
7. How many hours' flying have been carried out at Camp Borden from April 1, 1932, to January 1, 1933?

Mr. SUTHERLAND:

1. 103.
2. The age limit prescribed for the Royal Canadian Air Force is subject to certain exceptions. Six (6) officers are above the nominal age limit, but on this account are not ineligible for continued employment.
3. 78.
4. 5.
5. None.
6. None.
7. 1,399 hours 40 minutes.

UNEMPLOYMENT RELIEF

Mr. HEENAN:

What is the total amount paid out since the beginning of the unemployment relief measures in 1930 to date for: (1) public works; (2) direct relief, in the following places: city of Toronto, Ontario; city of Winnipeg, Manitoba; city of Sault Ste. Marie, Ontario; city of Port Arthur, Ontario; city of Fort William, Ontario; town of Kenora, Ontario; town of Fort Frances, Ontario; town of Sioux Lookout, Ontario; town of Dryden, Ontario?

Sir GEORGE PERLEY:

| Department of Labour: | 1<br>Public works | 2<br>Direct relief |
|---|---|---|
| City of Toronto | $ 876,517 42 | $1,144,027 83 |
| City of Sault Ste. Marie | 31,693 12 | 44,386 83 |
| City of Port Arthur | 50,000 00 | 56,768 77 |
| City of Fort William | 107,450 00 | 55,868 52 |
| Town of Kenora | 18,956 86 | 3,328 21 |
| Town of Fort Frances | 33,771 60 | 6,058 95 |
| Town of Sioux Lookout | 4,874 50 | 21,972 65 |
| Town of Dryden | 877 20 | 187 81 |
| City of Winnipeg | 1,215,745 65 | 1,802,389 58 |

The above are Dominion contributions to supplement expenditures of the provinces and municipalities.

| Department of Public Works: | 1 | 2 |
|---|---|---|
| Toronto | $ 28,428 74 | Nil |
| Sault Ste. Marie | 3,018 28 | Nil |
| Port Arthur | 101,024 05 | Nil |
| Kenora | 2,030 83 | Nil |

GOLD PRODUCTION

Mr. HANSON (Skeena):

1. How much gold was produced in Canada during the years 1930-31-32?
2. What amount of money did the government pay in premiums to gold producers during the same years?

Mr. STEVENS:

1.

| | Oz. | $ |
|---|---|---|
| 1930 | 2,102,068 | 43,453,601 |
| 1931 | 2,693,892 | 55,687,688 |
| 1932* | 3,055,168 | 63,155,925 |

* Preliminary figures.

2.

| | $ |
|---|---|
| 1930 | Nil |
| 1931 | 2,005,424 70 |
| 1932 | 7,705,660 36 |

Mr. MACKENZIE (Vancouver):

1. What was the total gold production of Canada during 1932?
2. What was the total amount paid by the government to producers by way of premium in 1932?
3. What is the total amount of the monetary gold stocks in Canada at present and how distributed?
4. What is the total amount in value of gold exported to the United States since the passing of the order in council, October 19, 1931 (giving dates)?

Mr. STEVENS:

1. $63,155,925 (preliminary figure).
2. $7,705,660.36.
3.

| | |
|---|---|
| Monetary gold in hands of government, December 31, 1932 | $73,044,414 |
| Monetary gold in hands of banks, December 31, 1932: current gold and subsidiary coin, $37,975,585; deposit in central gold reserves, $11,081,732; total. | $49,057,317 |

4.

Canada's exports of gold to the United States since passing of order in council of October 19, 1931

| Months | Gold bearing quartz, dust, nuggets and bullion obtained direct from mining operations | | Gold bullion, n.o.p. | | Gold coin | |
|---|---|---|---|---|---|---|
| | Canadian produce | Foreign produce | Canadian produce | Foreign produce | Canadian produce | Foreign produce |
| | $ | $ | $ | $ | $ | $ |
| 1931 | | | | | | |
| November | 245,078 | ..... | 1,997,771 | ..... | ..... | 2,740,443 |
| December | 398,608 | ..... | 6,521,648 | ..... | ..... | 112,162 |
| 1932 | | | | | | |
| January | 313,829 | ..... | 2,017,647 | ..... | ..... | 1,900,000 |
| February | 194,356 | ..... | 5,216,820 | ..... | ..... | 2,000,000 |
| March | 260,443 | ..... | 5,037,591 | ..... | ..... | 2,017,401 |
| April | 149,301 | ..... | 4,013,947 | ..... | 500 | 2,001,600 |
| May | 255,245 | ..... | 5,019,857 | ..... | ..... | ..... |
| June | 301,713 | ..... | 5,599,556 | 4,520 | ..... | 23 |
| July | 384,582 | ..... | 3,763,703 | ..... | ..... | ..... |
| August | 440,879 | ..... | 4,019,647 | ..... | ..... | ..... |
| September | 447,186 | ..... | 5,369,199 | ..... | ..... | ..... |
| October | 449,007 | ..... | ..... | ..... | ..... | ..... |
| November | 285,353 | ..... | 3,522,244 | ..... | ..... | 705,667 |
| December | 443,835 | ..... | 7,028,822 | ..... | ..... | ..... |
| 1933 | | | | | | |
| January | 192,166 | ..... | 5,255,945 | ..... | ..... | ..... |
| Total | 4,761,581 | ..... | 64,384,397 | 4,520 | 500 | 11,477,296 |

Recapitulation

Exports of gold from Canada to the United States, Nov. 1, 1931, to Jan. 31, 1933

| | |
|---|---|
| Canadian produce | $69,146,478 |
| Foreign produce | 11,481,816 |
| Total exports | 80,628,294 |

Figures not available for part month from October 19, 1931 to October 31, 1931.

CAMPBELLTON POST OFFICE

Mr. MARCIL:

1. Who were the applicants for the position of postmaster of Campbellton post office, New Brunswick?

2. What were the ratings given by the Civil Service Commission to these various candidates?

3. Has an appointment been made, and if not, why?

4. Who is presently in charge of that post office?

Mr. CAHAN:

1 and 2. It is not considered in the interest of the candidates to give publicity to the ratings given to the candidates. All information asked by these queries will be tabled shortly as an order of the house passed on 6th instant asking for similar information in regard to the position of postmaster at Campbellton, N. B..

3. Yes, by the Civil Service Commission.

4. Alphonse C. Belleisle.

[Mr. Stevens.]

TWELVE MILE LIMIT

Mr. POULIOT:

1. Has the twelve mile limit in the St. Lawrence river been changed since August 1, 1932?

2. If so, when, at whose request, why and on what authority was that change made?

3. What is at present the twelve mile limit in the St. Lawrence river?

Mr. BENNETT:

1. There is no twelve mile limit in the St. Lawrence river.

2. Answered by No. 1

3. Answered by No. 1.

MINISTER PLENIPOTENTIARY AT WASHINGTON

Mr. DENIS:

1. On what date was W. D. Herridge appointed Minister Plenipotentiary at Washington?

2. When did he assume the duties of his office?

3. What period of time has he spent in Washington and what period in Ottawa since assuming such duties?

Mr. BENNETT:

1. Mr. Herridge's appointment as Canadian minister at Washington was approved by His Majesty on the 15th April, 1931.

2. He assumed office on the 1st June, 1931.

3. No statistical record is kept of Mr. Herridge's movements between Ottawa and Washington but his presence in Ottawa, save when on vacation leave, has been on business arising out of the duties of his office.

LUMBER AND SALMON EXPORTS TO GREAT BRITAIN

Mr. HANSON (Skeena):

1. How much lumber, B.M. feet, was shipped from Canada to Great Britain in 1930-31-32?

2. What was the value in dollars and cents of the same for these years?

3. How much salmon was shipped from British Columbia to Great Britain in 1930-31-32?

4. What was the value in dollars and cents of the same for these years?

Mr. STEVENS:

1. and 2. Canada's domestic exports of planks and boards and square timber to the United Kingdom for the calendar years 1930, 1931 and 1932, were:—

| Classification | | Calendar years. | | |
|---|---|---|---|---|
| Planks and boards— | | | | |
| | | 1930 | 1931 | 1932 |
| Birch.. .. | Mft. | 33,882 | 25,717 | 39,500 |
| | $ | 1,143,108 | 773,982 | 1,021,565 |
| Cedar.. .. | Mft. | 226 | 89 | 137 |
| | $ | 12,484 | 5,183 | 4,967 |
| Douglas fir.. .. | Mft. | 52,926 | 48,533 | 76,410 |
| | $ | 1,116,628 | 830,517 | 1,116,755 |
| Hemlock . | Mft. | 2,251 | 277 | 470 |
| | $ | 46,554 | 7,430 | 8,022 |
| Maple.. .. | Mft. | 3,481 | 2,490 | 2,901 |
| | $ | 271,366 | 178,998 | 169,439 |
| Pine. .. .. | Mft | 21,224 | 17,442 | 10,130 |
| | $ | 1,291,213 | 1,032,126 | 470,938 |
| Spruce.. . | Mft. | 63,150 | 16,178 | 41,997 |
| | $ | 1,667,522 | 368,087 | 712,443 |
| Other.. .. | Mft. | 156 | 1,312 | 917 |
| | $ | 9,848 | 28,578 | 26,510 |
| Total Planks and.. .. | Mft. | 177,296 | 112,038 | 172,462 |
| boards.. . | $ | 5,558,723 | 3,224,901 | 3,530,639 |
| Timber, Square— | | | | |
| Douglas fir.. .. . | Mft. | 14,170 | 18,219 | 20,832 |
| | $ | 303,969 | 284,359 | 310,273 |
| Hardwood | Mft. | 1,514 | 1,210 | 1,285 |
| | $ | 120,813 | 63,521 | 85,970 |
| White pine.. .. | Mft. | 1,071 | 692 | 592 |
| | $ | 93,007 | 76,561 | 59,860 |
| Other timber square .. | Mft. | 4 | .... | .... |
| | $ | 225 | .... | .... |
| Total Timber square .. | Mft. | 16,759 | 20,121 | 22,709 |
| | $ | 518,014 | 424,441 | 456,103 |

3 and 4. Canada's domestic exports of salmon via British Columbia to the United Kingdom for the years ended March 31, 1930, 1931 and 1932, were:—

| Classification | Cwt. | $ |
|---|---|---|
| Salmon, fresh— | | |
| Years ended March 31 | | |
| 1930.. .. .. .. .. | 8,655 | 122,037 |
| 1931.. .. .. .. .. | 12,495 | 161,592 |
| 1932.. .. .. .. .. | 10,427 | 111,267 |
| Salmon, pickled— | | |
| Years ended March 31 | | |
| 1930.. .. .. .. .. | 736 | 20,502 |
| 1931.. .. .. .. .. | 283 | 6,186 |
| 1932.. .. .. .. .. | 566 | 9,826 |
| Salmon, canned— | | |
| Years ended March 31 | | |
| 1930.. .. .. .. .. | 90,797 | 1,856,959 |
| 1931.. .. .. .. .. | 144,603 | 3,115,922 |
| 1932.. .. .. .. .. | 204,338 | 3,642,250 |
| Total Salmon— | | |
| Years ended March 31 | | |
| 1930.. .. .. .. .. | 100,188 | 1,999,498 |
| 1931.. .. .. .. .. | 157,381 | 3,283,700 |
| 1932.. .. .. .. .. | 215,331 | 3,763,343 |

BEAUHARNOIS, QUE., POSTMASTER

Mr. RAYMOND:

1. Who is the present postmaster of the town of Beauharnois, county of Beauharnois?

2. When was he appointed?

3. Is he appointed in a temporary or permanent capacity?

4. Whom did he replace?

5. Was the person whom he replaced dismissed?

6. If so: (a) upon what grounds; (b) upon whose request; (c) when was the dismissal requested?

Mr. SAUVE:

1. Miss Laurence Laberge (Acting).

2. 21st December, 1932.

3. Temporary.

4. J. N. Laberge.

5. No, he resigned.

6. See answer to No. 5.

ST-LOUIS DE GONZAGUE, QUE., POSTMASTER

Mr. RAYMOND:

1. Who is the postmaster at St-Louis de Gonzague, county of Beauharnois?
2. How long has the present incumbent been in office?
3. Who appointed him?
4. Who recommended him?
5. Where was he residing at the time of his appointment, and for how long did he reside in such locality?
6. Whom did he replace?
7. Had other persons applied for the position?
8. Why was the present incumbent appointed?

Mr. SAUVE:

1. Roch Montpetit.
2. Since 5th October, 1932.
3. Postmaster General.
4. Petition received bearing 12 signatures.
5. No information.
6. D. Guerin.
7. Mme. Amanda Guerin, Mme. Louisa Primeau and Avila Leger.
8. To fill vacancy caused by the death of the former postmaster.

ONION PPODUCTION

Mr. GOTT:

1. How many acres of onions were grown in Canada during the year 1932?
2. What was the total production in 1932?
3. What amount of onions was imported into Canada in calendar years 1928, 1929, 1930, 1931 and 1932?
4. From what countries?
5. How many onions were exported from Canada in 1928, 1929, 1930, 1931 and 1932?
6. To what countries?

Mr. STEVENS:

1 and 2. No statistics available as to the number of acres of onions grown in Canada or the quantity of onions produced for the year 1932. According to the 1931 census the number of acres of onions grown in 1930 and 1931, and the production of onions in 1930 were as under:

| | Number of | Production | |
|---|---|---|---|
| Years | acres | Bushels | $ |
| 1930 | 5,055 | 1,432,000 | 1,041,000 |
| 1931 | 6,419 | (Not available) | |

3 and 4. Canada's imports of onions by countries entered for consumption, for the calendar years 1928 to 1932, inclusive, were:

| | Calendar years | | |
|---|---|---|---|
| Imports from | 1928 | 1929 | 1930 |
| United Kingdom | $ 74,543 | $ 76,205 | $ 25,725 |
| United States | 294,641 | 306,120 | 207,470 |
| Australia | 18,477 | 22,881 | – |
| Belgium | – | – | 419 |
| Bermuda | 7,947 | 6,543 | 14,334 |
| British West Indies, Other | 7,584 | 2,391 | – |
| Chile | – | 1,100 | – |
| Egypt | 151,772 | 104,141 | 56,942 |
| France | 71 | – | – |
| Hong Kong | – | – | – |
| Italy | 2,670 | 331 | 275 |
| Japan | 11,925 | 8,187 | 5,006 |
| Netherlands | 40,899 | 24,269 | 11,111 |
| Newfoundland | – | 13 | 4 |
| New Zealand | 25,274 | 33,480 | 5,353 |
| Spain | 120,363 | 78,943 | 117,997 |
| Total | 756,166 | 664,604 | 444,636 |

| | Calendar years | | |
|---|---|---|---|
| Imports from | 1931 | 1932 | |
| | $ | Lbs. | $ |
| United Kingdom | 20,670 | 796,161 | 18,808 |
| United States | 236,790 | 3,249,973 | 85,318 |
| Australia | 736 | 212,212 | 4,447 |
| Belgium | – | – | – |
| Bermuda | 4,088 | 1,565,978 | 34,075 |
| British West Indies, Other | 1,049 | 10,833 | 478 |
| Chile | – | 820,813 | 17,632 |
| Egypt | 54,959 | 5,635,824 | 127,938 |
| France | – | – | – |
| Hong Kong | – | 500 | 17 |
| Italy | – | 174,090 | 3,717 |
| Japan | 6,918 | 474,200 | 7,306 |
| Netherlands | 3,490 | – | – |
| Newfoundland | – | – | – |
| New Zealand | – | 620,794 | 15,710 |
| Spain | 85,096 | 3,730,424 | 60,414 |
| Total | 413,796 | 17,291,802 | 375,860 |

Note.—Imports of onions into Canada were entered at value only prior to 1932.

5 and 6. Canada's domestic exports of onions by countries for the calendar years 1928 to 1932, inclusive, were:

| | | Calendar years | | |
|---|---|---|---|---|
| Exports to— | | 1928 | 1929 | 1930 |
| United States | Bush. | 40 | 3,899 | 676 |
| | $ | 110 | 7,176 | 940 |
| Alaska | Bush. | – | – | – |
| | $ | – | – | – |
| Bermuda | Bush. | 1,178 | 1,900 | 2,652 |
| | $ | 2,014 | 3,795 | 3,717 |
| Br. Guiana | Bush. | – | – | – |
| | $ | – | – | – |
| Br. Honduras | Bush. | – | 85 | 460 |
| | $ | – | 115 | 418 |
| Br. West Indies— | | | | |
| Barbados | Bush. | – | – | – |
| | $ | – | – | – |
| Jamaica | Bush. | 120 | – | 3,295 |
| | $ | 210 | – | 1,997 |
| Trinidad and Tobago | Bush. | 90 | 33 | 10 |
| | $ | 150 | 34 | 7 |

| Exports to— | | Calendar years 1928 | 1929 | 1930 |
|---|---|---|---|---|
| Other | Bush. | 79 | 49 | 121 |
| | $ | 149 | 105 | 225 |
| China | Bush. | – | – | – |
| | $ | – | – | – |
| Cuba | Bush. | – | – | – |
| | $ | – | – | – |
| French East Indies | Bush | – | 52 | – |
| | $ | – | 67 | – |
| Hong Kong | Bush. | 395 | 114 | – |
| | $ | 390 | 150 | – |
| Mexico | Bush. | – | – | – |
| | $ | – | – | – |
| Newfoundland | Bush. | 1,226 | 1,845 | 2,621 |
| | $ | 2,623 | 3,425 | 3,477 |
| Oceania— | | | | |
| Fiji | Bush. | 717 | 1,790 | 960 |
| | $ | 1,457 | 1,930 | 1,169 |
| New Zealand | Bush. | 10,533 | 18,141 | 17,480 |
| | $ | 13,366 | 23,680 | 17,321 |
| Other | Bush. | – | – | 28 |
| | $ | – | – | 25 |
| Philippines | Bush. | – | – | – |
| | $ | – | – | – |
| St. Pierre and Miquelon | Bush. | 534 | 837 | 1,362 |
| | $ | 950 | 1,648 | 1,860 |
| Total | Bush. | 14,912 | 28,745 | 29,665 |
| | $ | 21,419 | 42,125 | 31,156 |

| Exports to— | | Calendar years 1931 | 1932 |
|---|---|---|---|
| United States | Bush. | 352 | 137,655 |
| | $ | 449 | 127,124 |
| Alaska | Bush. | 2 | – |
| | $ | 13 | – |
| Bermuda | Bush. | 3,404 | 4,060 |
| | $ | 3,273 | 4,450 |
| British Guiana | Bush. | 150 | 4,950 |
| | $ | 134 | 2,857 |
| British Honduras | Bush. | 506 | 1,611 |
| | $ | 188 | 810 |
| British West Indies— | | | |
| Barbados | Bush. | 5,130 | 12,702 |
| | $ | 2,336 | 5,632 |
| Jamaica | Bush. | 6,160 | 6,504 |
| | $ | 3,169 | 5,588 |
| Trinidad and Tobago | Bush. | 2,845 | 8,979 |
| | $ | 1,078 | 3,492 |
| Other | Bush. | 382 | 1,703 |
| | $ | 667 | 2,056 |
| China | Bush. | 1,600 | – |
| | $ | 1,340 | – |
| Cuba | Bush. | 5,900 | 500 |
| | $ | 1,528 | 200 |
| French East Indies | Bush. | – | – |
| | $ | – | – |
| Hong Kong | Bush. | 3,650 | 240 |
| | $ | 1,704 | 70 |
| Mexico | Bush. | – | 480 |
| | $ | – | 384 |
| Newfoundland | Bush. | 6,654 | 9,304 |
| | $ | 4,749 | 6,907 |
| Oceania— | | | |
| Fiji | Bush. | 580 | 206 |
| | $ | 567 | 174 |
| New Zealand | Bush. | 7,620 | 70,791 |
| | $ | 7,730 | 60,812 |
| Other | Bush. | – | – |
| | $ | – | – |
| Philippines | Bush. | 200 | 1,250 |
| | $ | 143 | 1,265 |
| St. Pierre and Miquelon | Bush. | 1,165 | 828 |
| | $ | 1,307 | 975 |
| Total | Bush. | 46,300 | 261,763 |
| | $ | 30,375 | 222,796 |

TOBACCO PRODUCTION

Mr. GOTT:

1. What amount of tobacco, raw leaf, was imported into Canada from the United States for the calendar year 1932?

2. How much tobacco was grown in Canada in 1932?

3. What was the consumption of tobacco in Canada in 1932?

4. What amount of tobacco, raw leaf, was exported from Canada for the calendar year 1932?

5. What amount of tobacco was exported from Canada for the fiscal years ending March 31, 1927, 1928, 1929, 1930, 1931 and 1932?

Mr. STEVENS:

1. Canada's imports of raw leaf tobacco from the United States entered for consumption for the calendar year 1932 were: quantity—9,708,304 pounds, valued at $2,525,262.

2. Canada's production of raw leaf tobacco for the year 1932 was 52,450,000 pounds.

3. Canada's consumption of raw leaf tobacco for the calendar year 1932 was approximately as under:

| 1932 | Pounds |
|---|---|
| Production in Canada | 52,450,000 |
| Imports into Canada | 10,262,000 |
| Total raw leaf tobacco available for consumption | 62,712,000 |
| Exports from Canada (domestic and foreign) | 11,198,000 |
| Total approximate consumption of raw leaf tobacco in Canada | 51,514,000 |

4. Canada's domestic exports of raw leaf tobacco for the calendar year 1932 were:

| Classification | Pounds | $ |
|---|---|---|
| Raw leaf tobacco— | | |
| Burley | 2,511,016 | 409,742 |
| Bright, flue-cured | 7,922,129 | 2,604,727 |
| Dark, air and fire-cured | 728,163 | 153,851 |
| Other raw leaf tobacco | 34,137 | 9,444 |
| Total exports | 11,195,445 | 3,177,764 |

5. Canada's total domestic exports of tobacco of all kinds for the years ended March 31, 1927 to 1932, inclusive, were:

| Fiscal Years | Unmanufactured | | Manufactured | |
|---|---|---|---|---|
| | Pounds | $ | Pounds | $ |
| 1927 | 6,330,972 | 2,569,300 | 765,659 | 157,047 |
| 1928 | 6,079,606 | 2,215,916 | 673,711 | 86,685 |
| 1929 | 6,583,676 | 1,954,482 | 543,915 | 53,466 |
| 1930 | 6,811,391 | 1,504,264 | 562,231 | 39,711 |
| 1931 | 6,051,319 | 1,505,594 | 841,186 | 67,511 |
| 1932 | 8,222,922 | 2,536,998 | 935,519 | 84,242 |

UNEMPLOYMENT AND FARM RELIEF ACT, 1931

Mr. LAURIN:

1. Under the terms of the Unemployment and Farm Relief Act, 1931, was farm relief intended only for the western provinces?
2. Have provinces other than the western provinces applied for farm relief under the terms of the said act?
3. If so, what provinces?

Mr. GORDON:

1. No.
2. No.
3. See answer to 2.

MINIMUM WAGE SCALE

Mr. LAURIN:

1. Did the federal government enact regulations under the terms of the unemployment relief acts of 1930 and 1931 with respect to a minimum wage scale?
2. Were the federal government and the provincial governments parties to any agreements in that regard?
3. If so, what was the minimum wage agreed upon in each province?

Mr. GORDON:

1, 2 and 3. All agreements made with provincial or municipal authorities under the provisions of the Unemployment Relief Act, 1930, involving expenditures for public works or undertakings, contain provisions for the payment of fair wages and regulating hours of work in accordance with the intent of The Fair Wages and Eight Hour Day Act, 1930, and the fair wages policy of the government of Canada as set forth in order in council P.C. 1206, dated June 7, 1922, and amendments thereto. Also agreements for public works and undertakings carried out under the provisions of the Unemployment and Farm Relief Act, 1931, provided that "fair and reasonable rates of wages shall be paid by the province and municipalities but such rates shall not be in excess of the rates required to be paid by the federal government for the character or class of work in the district."



BACK TO LAND MOVEMENT—PAYMENTS TO PROVINCES

Mr. LAURIN:

At December 31, 1932, what amount was paid out of the dominion treasury in each province, respecting the return to the land movement?

Mr. GORDON:

| | |
|---|---|
| Prince Edward Island | Nil |
| Nova Scotia | Nil |
| New Brunswick | Nil |
| Quebec | Nil |
| Ontario | Nil |
| Manitoba | $15,334 18 |
| Saskatchewan | 12,750 19 |
| Alberta | Nil |
| British Columbia | Nil |

ST-MICHEL DE LAVAL QUE., POST OFFICE

Mr. JEAN:

1. Has post office No. 76, St-Michel de Laval, been abolished?
2. If so, when and on what grounds?
3. What employee was in charge of said post office?
4. What salary did he receive?
5. Were any complaints made against him?
6. If so, by whom?
7. Was an inquiry held in this case?
8. If so, upon whose request, and who conducted such inquiry?

Mr. SAUVE:

1. Yes.

2. 7th December, 1932, following financial irregularities and on account of limited revenue.

3. Arthur Archambault.

4. $60 per annum.

5, 6, 7 and 8. A petition for change in postmastership bearing 97 signatures was received in July, 1931. Departmental action was taken in connection with periodical inspections by officials of the Montreal post office, which disclosed financial shortages and unsatisfactory management.

CANADIAN NATIONAL RAILWAYS—BOND INTEREST

Mr. COOTE:

What was the total amount of interest paid on Canadian National Railway bonds during each of the years 1920 to 1932 inclusive?

Mr. MANION:

| | |
|---|---|
| 1920 | $ 31,055,318 |
| 1921 | 34,476,014 |
| 1922 | 34,652,324 |
| 1923 | 35,041,380 |
| 1924 | 38,361,704 |
| 1925 | 40,438,235 |
| 1926 | 39,197,233 |
| 1927 | 40,526,096 |
| 1928 | 41,810,880 |
| 1929 | 45,503,980 |
| 1930 | 51,316,121 |
| 1931 | 55,587,145 |
| 1932 | *57,061,000 |
| | $545,027,430 |

*(Estimated)

REDUCED EXCISE ON CIGARETTES

Mr. GOTT:

1. On what date did the reduced excise on cigarettes become effective?

2. What was the consumption of cigarettes in Canada for the calendar year 1932—each month?

3. How much was collected in excise on cigarettes for the calendar year 1932—each month?

Mr. RYCKMAN:

1. 13th October, 1932.

2.

| Month | Imported cigarettes entered for consumption | Domestic cigarettes entered for consumption |
|---|---|---|
| January | 521,000 | 278,473,830 |
| February | 203,000 | 281,553,610 |
| March | 870,665 | 304,293,922 |
| April | 194,665 | 269,358,800 |
| May | 329,000 | 312,827,782 |
| June | 319,665 | 376,846,275 |
| July | 507,000 | 338,915,128 |
| August | 470,330 | 329,510,064 |
| September | 382,000 | 313,749,322 |
| October | 257,665 | 214,358,778 |
| November | 450,000 | 388,773,540 |
| December | 367,000 | 304,653,215 |

3.

| 1932 Months | Excise duty |
|---|---|
| January | $1,671,128 98 |
| February | 1,689,605 16 |
| March | 1,826,014 28 |
| April | 1,616,398 05 |
| May | 1,877,153 44 |
| June | 2,261,409 15 |
| July | 1,712,304 61 |
| August | 1,977,278 89 |
| September | 1,882,692 93 |
| October | 1,286,438 17 |
| November | 2,323,856 24 |
| December | 1,218,888 68 |
| | $21,343,168 58 |

Note:—Sales tax and special excise tax not available as statistics are not maintained for each commodity.

53719—128½

RADIO COMMISSION—STATEMENTS

Mr. CASGRAIN:

Are the statements issued by the Radio Commission at Ottawa published in French?

Mr. BENNETT: This question cannot be answered because of its indefiniteness. If the hon. gentleman will amend his question to particularize just what information is asked for, it will be answered.

Question stands.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN MERCHANT MARINE—SALE OF SHIPS

Mr. REID:

1. Has the government sold any ships formerly used by the Canadian merchant marine?

2. If so: (a) what ships have been sold; (b) what was the sale price agreed upon for the various vessels sold?

3. Has Japan purchased any of these ships?

4. Have any negotiations taken place in regards to the disposal of vessels belonging to the Canadian National Railways?

5. If so, is it the intention of the government to dispose of any of the said boats?

CIVIL SERVICE COMMISSION—APPOINTMENTS

Mr. LAVERGNE:

1. How many appointments did the Civil Service Commission make, in the province of Quebec, since July 28, 1930?

2. To what positions were these appointments made?

3. What are the names of the appointees?

## MOTIONS FOR PAPERS

GOLD EXPORTS

Mr. COOTE:

For a return showing: (a) the total amount of gold exported from Canada since September 21, 1931; (b) the names of the various persons, corporations or banks by whom the export was made; (c) the amount and date of export in each case; (d) the different amounts of gold purchased by the government since September 21, 1931; (e) the names of the parties from whom purchase was made; (f) the date of purchase and the rate of premium paid in each case; (g) the names of various persons, corporations or banks to whom gold was sold, the date of sale, and the price or premium received by the government in each case.

LOUISDALE, N.S., WHARF

Mr. DUFF:

For a copy of all letters, telegrams, correspondence accounts, vouchers, payrolls, and other documents, showing all expenditures, under the Unemployment and Farm Relief Act or otherwise, for a new wharf at Louisdale, Nova Scotia.

PORT MALCOLM, N.S., WHARF

Mr. DUFF:

For a copy of all letters, telegrams, correspondence accounts, vouchers, payrolls, and other documents, showing all expenditures, under the Unemployment and Farm Relief Act or otherwise, for a new wharf at Port Malcolm, Nova Scotia.

LOWER ARDOISE, N.S., BREAKWATER WHARF

Mr. DUFF:

For a copy of all letters, telegrams, correspondence accounts, vouchers, payrolls, and other documents, showing all expenditures, under the Unemployment and Farm Relief Act or otherwise, for a breakwater wharf at Lower Ardoise, Nova Scotia.

ROCKDALE, N.S., BREAKWATER EXTENSION

Mr. DUFF:

For a copy of all letters, telegrams, correspondence accounts, vouchers, payrolls, and other documents, showing all expenditures, under the Unemployment and Farm Relief Act or otherwise, for a breakwater extension at Rockdale, Nova Scotia?

GREEN ISLAND LIGHTKEEPER

Mr. DUFF:

For a copy of all telegrams, letters, and other documents, regarding the appointment of one Amede Boudreau to the keepership of the light station at Green island, Nova Scotia, with all papers in connection with the said appointment, including advertisement, application forms, reports, etc., from the Civil Service Commission.

For a copy of all correspondence, including telegrams, letters and other documents, exchanged between the Minister of Marine or any member of the government and any person or persons in Nova Scotia regarding the dismissal of Harry T. Boudreau, a returned soldier, from the position of lightkeeper at Green Island, Nova Scotia;

Also any documents on file regarding an investigation into the conduct of the said Harry T. Boudreau by William Noblett, a commissioner appointed for that purpose.

DOMINION NOTES—NON-PAYMENT OF GOLD

Mr. COOTE:

For a copy of all letters, telegrams or other orders issued to the assistant receivers general since September 21, 1931, instructing them not to pay out gold for Dominion notes on presentation.

[Mr. Coote.]

TRADE RELATIONS WITH RUSSIA

Mr. VALLANCE:

For a copy of all letters, telegrams and other documents, exchanged between any members or officials of the federal government and G. G. Serkau or any other person or persons in connection with the proposed exchange of Canadian cattle for Russian goods.

LAC VERT, SASK., POSTMASTER

Mr. TOTZKE:

For a copy of all correspondence, letters, telegrams, petitions and other documents in connection with the dismissal of the postmaster at Lac Vert, Saskatchewan.

PETITE RIVIERE, N.S., BREAKWATER

Mr. DUFF:

For a copy of all correspondence, including letters, telegrams, and other documents, as well as payrolls and other accounts, showing the expenditure on the breakwater at Petite Riviere, Nova Scotia, during the years 1931-1932.

TRADE RELATIONS WITH RUSSIA—EXCHANGE OF CATTLE AND OTHER COMMODITIES FOR PETROLEUM AND OIL

Mr. SPENCER:

For a copy of all correspondence between any member of the government and any other member of the government, and between any member of the government and Mr. G. G. Serkau or any of his associates in connection with the proposal to exchange Canadian cattle and hides for Russian commodities.

Mr. BENNETT: Mr. Speaker, so far as its relevant portion is concerned, this motion is covered by No. 13, moved for by the hon. member for South Battleford (Mr. Vallance). Communications between members of the government are considered as privileged.

Mr. GARLAND (Bow River): Mr. Speaker, I submit that this motion is not covered by No. 13 except to a degree only. No. 13 goes much farther than does this motion, it asks for all correspondence, telegrams, letters and so on, which would include innumerable resolutions and expressions of personal opinion which are not asked for under this motion. Hon. members in this corner of the chamber are anxious to secure this information as early as possible, and with that end in view this motion has been limited to government documents.

Mr. BENNETT: We do not pass two resolutions dealing with the same subject matter in the same sitting of the house. As the hon. member for Bow River (Mr. Garland) points out, if No. 13 is taken literally it will mean the copying of every telegram and letter which anyone felt like sending

from any part of Canada. However, as I have pointed out, this resolution cannot be complied with because it asks for privileged communications. Correspondence between any member of the government and any other member of the government cannot be obtained by an order of the house.

Mr. SPENCER: May I ask that this motion be amended according to the suggestion of the Prime Minister?

Mr. SPEAKER: The two resolutions could be combined as it would appear that No. 13 will give the information required.

Mr. GARLAND (Bow River): I think—

Mr. SPEAKER: This resolution is not debatable and the hon. member neither moved nor seconded it.

Mr. GARLAND (Bow River): I think the government is willing to accept the amended motion.

Mr. SPENCER: I want to get this return as early as possible. This motion asks for less than does No. 13, and that is the reason I included it upon the order paper.

Mr. SPEAKER: The motion will stand

Motion stands.

## THE FRUIT ACT

### PROTECTION TO CONSUMERS

Mr. HERMAS DESLAURIERS (St. Mary's) (Translation) moved:

Whereas progress and science compel fruit and vegetable growers to use poisonous substances called "insecticides" in order to protect their products;

And whereas these chemical agents are not wholly affected by weather conditions and remain on these products, especially on fruit, and this fruit is largely consumed in its natural state;

Therefore be it resolved, that, in the opinion of this house, legislation designed to protect the consumers should be enacted.

Mr. Speaker, the terms of one of the clauses of the Imperial economic conference agreements suggested to me the moving of this resolution. May I, however, state that I do not intend, in the course of this debate, to discuss the merit of this treaty from all angles, but simply from the standpoint of hygiene and trade.

At the outset of the session, parliament ratified a trade convention with Great Britain by which the latter grants us a preference of $1 per barrel of apples exported to her markets. To our producers and to many among us this treaty seemed advantageous. However, owing to tariff changes on chemical fertilizers and various agents used by fruit and vegetable growers to protect their trees and plants, and because these same fruit and vegetable growers are now at the mercy of the notorious trust of chemical fertilizers, known as the Imperial Chemical Corporation, of London, whose ramifications extend throughout the world, to Holland, Baltimore and the U.S. under the name of Dupont de Nemours Ltd.; in Canada, to Hamilton, Beloeil and Halifax, under the name Canadian Industries, I must consign to the future the care of determining whether it will be to our advantage or not; these considerations, however, are outside of my subject.

From a sanitary viewpoint, Great Britain will not permit Canadian fruit to reach its markets, unless Canada exports a strictly graded and sound fruit, in keeping with the regulations of the country, and, moreover, conforms to the international margin allowed; that is, the proportion of insecticide spray on the peels of apples should not be more than 0·01 grain per pound of fruit, therefore, the fruit should be treated, which requires further outlay for machinery, neutralizing equipment, labour and additional hands.

Being a member of the medical profession and representing a population entirely composed of consumers; moreover having some knowledge of the physiological action of toxic substances used, such as insecticides, a poison which partly adheres to fruit, notwithstanding atmospheric agencies, I am bound to recognize the soundness of England's legislation against the possible dangerous effects which the trade of untreated fruit, consumed in its natural state would give rise. I therefore, deem it my duty, wholly in the public interest, to submit, to-day, this question to Parliament.

All are aware that in the course of a season fruit growers must often spray their trees and fruit to guard against the ravages wrought by insects. The standard preparation which is universally used is a solution of lead arsenic. Sometimes a solution of copper cyanide is resorted to but only occasionally. These poisons adhere to the leaves of the trees and fruit but gradually or partially disappear under the action of wind and rain. Further spraying is resorted to and science even advises the spraying of trees and fruit sometimes previous to the picking.

We find in the 1903 reports of the Bureau of Researches, at Washington, at its Agricultural Experimental Station, that a commission of experts was appointed to investigate the quantity of poison remaining from the spraying of orchards by arsenical lead. The

result gave 1 gramme, 429 milligrammes of $A^2O^3$—of arsenical trioxyde—per kilogram after the fruit was picked. Later, in 1914, following numerous trials, these experts stated in their reports that the quantity of toxic substance found in the residue of the fruit sprayed varied and is entirely controlled by the weather.

In 1925, under Great Britain's threat of placing an embargo on United States fruit the Department of Foods and Drugs, at Washington and the State of Indiana, amended their legislation to facilitate the fruit trade, and agreed to conform with the requirements of the international margin allowance, which restricts the deposit of arsenical trioxyde to not more than 0·01 grain per pound of fruit exported. In their reports, for the same year, these experts state that the deposit resulting from spraying is far more dangerous, if precipitation is slight, and spraying has been more frequent.

Those interested in this question will find in the Agricultural Journal, of Victoria, Australia, December number of 1931, that Great Britain made representation to the Australian government because their apples showed visible traces of arsenical lead, and owing to this, the Australian apple growers sustained considerable losses, as a result of a too imperfect cleansing of their fruit.

In the same report, the United States experts advise the producers not to use oil in their insecticide solution, because the cleansing of fruit is too difficult with this ingredient; they deny the contentions of those who state that the quantity of poison found in the spraying deposits is too small to be a danger to health, and categorically assert that arsenic is small doses, absorbed during a certain period, and especially in combination with a lead salt, is very deleterious.

The physiological action of arsenic in small doses produces no violent effect; its action on the organism is imperceptibly slow and insidious; its accumulation is easy and elimination difficult. It is with much precaution that this drug is used in therapeutics against certain diseases, owing to its dangerous action, because, when the symptoms of poisoning appear, the life of the patient is in danger.

The formula of this world wide insecticide, consists in 2 pounds of arsenical lead per 100 gals. of water. In the course of a season the fruit grower performs a number of sprayings and each one leaves a deposit which keeps on accumulating. The quantity of toxic substance deposited on the fruit cannot possibly be uniform because during a dry season the quantity will be greater. In the Maritime Provinces, where rain is more frequent, the quantity would be less, while in British Columbia where rain is less frequent, the quantity would be greater. Fruit on the lower limbs of trees, subject to more spray, and less exposed to rain and wind than the upper limbs will retain more of these toxic substances, and when analysed, will be more open to criticism. There is no doubt that the public consuming fruit uncleansed and in its natural state, such as grapes from the Niagara district, runs serious dangers. Legislation enacted by those countries, which I mentioned, and their continuous researches, analyses, reports and the opinions of experts on the toxical deposits from the spraying of fruit trees, make it a question of the utmost importance.



Notwithstanding the restrictions of other countries, under our present system, each year, in summer and especially in the autumn season, millions of tons of fruit are shipped to our large centres and delivered to our homes; each day, we see on our streets, honest vendors unwittingly selling fruit bearing traces of poison; we witness children, so fond of fruit, innocently playing about with poison in their hands. When the medical profession tells us new diseases are spreading, the origin of which is unknown, such, for instance, as infantile paralysis; when they admit the greater frequency of sudden deaths, irrespective of age; when certain cases of illness develop under new forms, I state that it behooves the authorities to seriously look into everything affecting human life.

There is no legislation covering our domestic trade of fruit. One wonders to what door must we knock to obtain the required reforms so as to keep pace with science. Must we address ourselves to the Department of Agriculture or that of Health? The question is unsettled. We have no research bureau as other countries have, in this respect. It is time to follow the lead of Great Britain, the United States and other countries and enact up-to-date legislation, bearing in mind that human capital is the most precious asset we possess.

From the viewpoint of trade, the cleansing of fruit, especially of our apples, is a condition, a strict regulation which must be adhered to in our exports to Great Britain, if we wish to take advantage of the preference of $1.00 per barrel of apples.

There exists in England an act governing the trade on fruit with a view to protect the consumer; the act prohibits—subject to prosecution—the sale on British soil of fruit which by analysis indicates the presence of

more than 0·01 grain of arsenic or toxic substance; that is what is known as the international margin allowance. Australia and Nova Scotia have had a bitter experience, in the past, of this legislation.

Apart from this, there are regulations governing the grading of apples as to uniformity and quality, this requires more labour and hands. However, the process necessitated in cleaning the fruit gives rise to a serious problem. Indeed, this process, the only one recommended, consists in washing the apples in a solution of ½, 1, 2 per cent of hydrochloric acid during a few minutes, with the addition of sodium chloride either heated or not. These various operations require the use of special machinery, receptacles and neutralizing agents, this means so much more outlay, not mentioning the time and further hands required, before ever benefiting from the $1 preference per barrel of apples. Moreover, the Canadian apple grower must compete with the world prices on the English market.

There exists no substitute to arsenical lead as an insecticide approved by experts. Sometimes a certain quantity of oil is added to this solution; however this is not advised as the cleansing is more difficult. The dry cleansing, although making the fruit more attractive, requires much time, is little effective, as it removes but 30 per cent of toxic substance, leaving a deposit greater than allowed by the international margin, and can only be applied to certain fruits, and, therefore, not practical owing to its limited effectiveness. The only practical method is that of washing the fruit, which is a more economic process as to time and results, and has been adopted in all countries where fruit is grown on a large scale such as in the United States, but especially, in Australia.

The outlay mentioned will naturally increase the cost of production considerably. I, therefore, cannot see how our fruit growers can compete with the world prices, when they have to face this further outlay, unless our governments cooperate generously by grants, thus helping them to hold the British market and benefit by it.

I had the opportunity of visiting many districts where fruit is grown, and nowhere did I notice the necessary installations in connection with the cleansing of fruit to meet export requirements.

It is quite clear that an extensive campaign of education among the people must be undertaken, so as to profitably carry out this system of cleansing by washing, which varies according to the peel being more or less thick, and, so as to also teach them the proper time to pick the fruit and do their cleansing immediately before the storing of the fruit, in order to avoid the formation of wax which decreases the permeability of the deposit resulting from spraying, and, therefore, makes the cleansing more difficult.

The fruit growers absolutely require encouragement, otherwise they may be tempted to curtail their spraying, especially just previous to the picking of the fruit, as a means of economizing, saving time and dispensing with the cleansing; they will thus expose their fruit to the ravages of maggots and, in the end, they will nevertheless be forced to clean the fruit, after having sustained losses.

It is quite evident that Canadian fruit will only be sought on the English markets on condition it is uniform, of superior quality and well cleansed. Such a condition can only be realized by utilizing the process mentioned which naturally increases the cost of production, and, by a campaign of education which may be successful if the interested provinces lend their hearty cooperation by exhibitions, lectures, and publications.

At all events, I think that the question deserves the attention of parliament, and I trust that the government will find it possible to introduce the necessary legislation both in the interest of public health and Canadian trade.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, legislation dealing with the subject matter of this resolution already exists in the Agricultural Pests Control Act, 1927, under the provisions of which insecticides must be registered with the Department of Agriculture in order that these poisons may be checked for compliance with the guarantees and standards of quality, samples being taken and analyzed. The insecticides are analyzed chemically and tried out in the entomological branch for effectiveness. Doctor Macoun, Dominion horticulturist, states that there has never come to his knowledge any case of poisoning in connection with the use of these sprays and that horticulturists feel these sprays are essential if our fruit is to be harvested in the best possible form for market. In conclusion he says:

> It would seem, from all past experience, that further legislation in Canada designed to protect the consumers of fruit is quite unnecessary.

In addition a great deal of investigation has been done with reference to the content of arsenical poison used in sprays in British Columbia where irrigation is used. It is felt that in eastern Canada and outside the

irrigation area the precipitation itself is sufficient to remove any danger from this use of arsenic sprays. The result of the investigation carried on by Doctor Shutt, Dominion chemist, is set out in the English Analyst, volume 51, 1926. This is his summary:

Summarizing the tabulated data, it will be seen that approximately one-half the samples were entirely free from arsenic, that roughly one-sixth showed traces of arsenic in amounts less than one ten-thousandth of a grain per pound, a negligible quantity, and that one-third contained arsenic in quantities ranging from one ten-thousandth to one one-hundred and ninetieth of a grain per pound. With the heaviest amount of arsenic found, namely one one-hundred and ninetieth of a grain per pound, it would require three pounds, or one dozen apples of average size, to supply the minimum medicinal dose of arsenic, and twelve pounds, or four dozen apples of average size, to supply the maximum medicinal dose.

The results of this inquiry furnish satisfactory evidence to the effect that a very large proportion of Canadian sprayed apples is entirely free from arsenic and that in those cases in which the presence of arsenic has been detected, the quantities are negligible.

Mr. MURRAY MacLAREN (Minister of Pensions and National Health): The mover of the resolution (Mr. Deslauriers) has drawn attention to the importance of close supervision of insecticides or the various substances which are used to destroy insects on vegetables and fruit, and he asks that the consuming public be protected by legislative action from the danger of poisoning or injury from such substances.

I quite agree that it is important that there should be safeguarding legislation, but I would point out that safeguarding legislation exists at the present time. If members will turn to the Food and Drugs Act, they will find that paragraph (f) of section four provides:

Any fruit or vegetable dangerously contaminated with any poisonous substance, whether added with intent or not, must be deemed to be adulterated within the meaning of the Food and Drugs Act.

Under this legislation there is in the Department of National Health a staff of chemists working, analyzing and investigating such specimens as come before them. There are something like twenty-seven health inspectors throughout the dominion, and when any such case of poisoning or even rumours of poisoning is brought to their attention the case is referred for investigation to the laboratories, existing not only in Ottawa but at four or five other points throughout the dominion. I have made inquiries in the department and I am informed that certainly within recent years no case, no report of a case, of poisoning has come within their observation. Repeated examinations have been made during the past few years regarding celery, not so much the Canadian product, as the large amount of celery imported from the United States, and regarding which there were complaints some time ago. That has been under the observation of our chemists and the celery has been analyzed.

The same is true of apples. In the years 1925 and 1926 numerous observations were made regarding the presence of poisons on apples. At the present time, grapes and wine are being analyzed by the departmental chemists. So far as we can learn in the department, no reports have been made of poisoning within recent years or ill effects arising from these insecticides being used on vegetables and fruits. But should the occasion arise we have at present the legislative machinery and inspectors and chemists whose duty it is to analyze these products for the presence of injurious substances.

I do not gather what further protection the mover of this resolution would advocate, beyond perhaps a certain washing of fruits and vegetables, but as I understand from the Minister of Agriculture (Mr. Weir), and indeed as we all know, many of these substances are, while not completely, at all events I think sufficiently removed by rain and weather conditions. I do not think that with our present knowledge there is any further step in a legislative way that can be taken for the protection of the public against these insecticides, and after hearing this explanation and what the procedure is, perhaps the mover may consent to withdraw his resolution, particularly in view of the fact that very little complaint is made regarding ill consequences from the use of these insecticides.

Mr. THOMAS REID (New Westminster): The proposal to protect the consumer is very commendable, but another point of view that has not been touched upon is the effect of poisonous sprays on the honey industry. Many of our citizens have gone in for keeping bees, and the honey industry has reached considerable proportions. Fruit blossoms open very early in the spring and the bee keepers are desirous that the bees should have full advantage of nectar from the blossoms. When the blossom is sprayed for protection against insects the bees, trying to obtain the nectar, are poisoned. Apiarists have had considerable losses through the apple sections of the country. This mortality in the hives should be given consideration, research should be made to find a way to obviate this loss to our bee keepers.

Right Hon. R. B. BENNETT (Prime Minister): It is obvious that this motion asks

the house to declare for a principle already established by legislation. That being so, the government cannot accept it. Under the existing legislation effect can be given to the principle for which the hon. gentleman very properly contends. That being the case, I think the house will realize that the purpose will be served by the hon. gentleman withdrawing his motion, and if it is necessary to make any amendment to existing legislation to meet the condition he has outlined it would be the duty of the government to do so, and, as I think the minister has clearly indicated, that is what the government would do.

Mr. DESLAURIERS: Drop the motion.

Mr. SPEAKER: By consent, the hon. member withdraws his resolution.

Motion withdrawn.

## WESTERN FREIGHT RATES

REDUCTION OF DOMESTIC RATES ON GRAIN AND GRAIN PRODUCTS

Mr. E. E. PERLEY (Qu'Appelle) moved:

That, in the opinion of this house, the domestic freight rate on grain and grain products, moving from any point in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia, to a point in any of the said provinces, or from any point, to another point, in any of the said provinces be adjusted, or reduced, by at least fifty per cent (50%) of the differential, as now exists, between domestic and export rates.

He said: Speaking to a similar resolution last year, I endeavoured to point out to the house the necessity of giving some consideration to the farmers of western Canada by way of reduction in domestic rates on grain. I will not go into the whole question to the extent we did last year, but I would suggest that there is an argument that has not yet been presented with respect to interprovincial shipments. I believe the debate last session proved beyond doubt that we have reached a time when this question should be given consideration. The house was informed by the hon. Minister of Railways and Canals (Mr. Manion) on February first, and again on Thursday last, that he would within a few days make a statement or explanation with respect to a proposed reduction in rates that might amount to say, fifty per cent of the differential; it may be his proposal will effect the purpose of my resolution. Therefore I do not consider it necessary at this time to cover all the ground. However, I would like to refer to the appeal that was taken from the decision of the board of railway commissioners handed down in 1927, which appeal has not yet been heard. Following the debate last year I think the western members were all of the opinion that that appeal stood in the way of any action being taken. They decided that they would, during the recess, make representations to their respective provincial governments to see that this appeal was heard. I myself interviewed the government of Saskatchewan and tried to impress upon them the importance of having such action taken. The fact that we did make representations to the provincial governments and that the argument last year was so conclusive, I think, caused this question to be brought before the interprovincial conference here last month and also the statement made by the hon. Minister of Railways and Canals last Thursday. How far they agreed on that occasion, or how far the minister will go in his statement to the house, I do not know; he may give effect to my whole resolution. That would be a splendid thing.

The second part of my resolution, which deals particularly with the shipment of grain from one point to another within a province, I think is very important. There is no doubt that in the very near future there will be a vast change in the system of agriculture in western Canada. We have from year to year a considerable carry over of grain. This has always been a problem, in its effect upon price especially during the last four or five years. Many suggestions have been put forward for the solution of the problem of how we should eliminate or decrease that surplus. One suggestion has been that the acreage sown to wheat in western Canada should be reduced. I do not favour a reduction of the gross acreage seeded to grain; rather I favour a switching from wheat to coarse grains. If in the near future the exchange difficulty, which at present somewhat hinders our trade with Great Britain, is corrected—and this may be done sooner than any of us think—then the farmers of western Canada will be only too anxious to change to a system of more diversified farming in order to develop that trade with Great Britain.

I would suggest that we advocate a reduction in wheat acreage, together with a change to the coarse grains. There are some 280,000 farmers in western Canada growing wheat. If each farmer would seed thirty acres less to wheat and put in coarse grains or fodder crops instead it is easy to see that there would be a reduction in wheat acreage of some 5,400,000 acres which, at fourteen bushels to the acre, in a normal year would mean about 76,000,000 bushels of wheat. I think this would materially assist in reducing the sur-

plus. This land would be seeded mainly to barley and oats, and if diversified farming were practised the farmers would require more pasture and more fodder crops for their cattle. If the farmers of the west intend to take advantage of the agreements passed by this house last November they will have to change their system of farming, and if they do that they will need these coarse grains to feed their cattle, their hogs, their dairy herds and their poultry. I should think, in addition, that the increasing demand will be found in the province of British Columbia; the farmers in the Fraser valley and other parts of that province will be only too anxious to take advantage of the trade agreements we recently adopted. So of necessity a great deal of grain will be shipped between different points in the prairie provinces in order to feed the stock, as I have outlined.

There is another point which might be developed in favour of interprovincial shipping. In the near future we may have a provincial milling industry, so to speak. I think the Department of Trade and Commerce would be well advised to endeavour to develop more trade with the orient in regard to flour. I know the Minister of Trade and Commerce (Mr. Stevens) is doing everything possible to develop trade with foreign countries, but I think the flour milled in western Canada—which is the highest grade flour in the world—should be marketed in the Orient as a product of western Canada. At present the flour milled from our wheat is distributed through the orient by the millers of Japan, who do not produce the best grade of flour, so the people in the orient have not become accustomed to the kind of flour we produce in Canada. There are great possibilities in regard to trade in flour, and I think a milling industry should be built up within the provinces. If this were to happen it would be necessary to have a lower interprovincial rate covering the shipment of the by-products, the bran and shorts, in order to make them available to farmers feeding stock.

I think it is generally agreed that interprovincial rates are too high, but I do not wish to develop that point just now. We all know the difficulties our railways find in carrying on at the present time; we know how they view any proposal with regard to the reduction of freight rates, but at the same time we must remember the difficulty with which the farmers of the west have been faced and the losses they have sustained in the last few years. They have put up a gallant fight against the greatest odds with which an agricultural people were ever faced, and they have carried on with courage and confidence.

[Mr. E. E. Perley.]

I believe that to-day the morale of the western farmer is just as good as, if not better than, it was a year ago, and he is prepared to go forward, showing the same initiative and feeling the same hope, confidence and courage with which the pioneers of the west laid the foundation for the agriculture of the present day. It is up to us to do everything we can to encourage our western farmers, and I think a reduction in the domestic rates would be extremely well received.

I do not wish to carry the argument further at this time, as I will have an opportunity to speak again before the debate is closed, but I do wish to suggest, that half a loaf is better than no bread. In view of the statement made by the Minister of Railways and Canals the other day I hope he may find it possible to support this resolution, so I will leave the argument at this point.

Mr. W. A. BEYNON (Moose Jaw): Mr. Speaker, I believe the Minister of Railways and Canals (Mr. Manion) has made a statement with regard to this resolution, and in view of that fact I desire to move the adjournment of the debate.

Mr. MANION: I thought the hon. gentleman was going to speak to the resolution. Before the motion is put I should like to make just a short statement.

Mr. SPEAKER: Is the hon. member pressing his motion for the adjournment of the debate?

Mr. PERLEY (Qu'Appelle): I should like a statement from the minister if possible.

Mr. BEYNON: If the minister wishes to speak I will withdraw my motion.

Hon. R. J. MANION (Minister of Railways and Canals): In view of the remarks of the hon. member for Qu'Appelle (Mr. Perley) I will have only a few words to say at this time, and those few words will be practically a repetition of what I said a few days ago with reference to a bill introduced by an hon. gentleman opposite.

At that time I pointed out that at the interprovincial conference there had been some discussion regarding this matter, and I said we had come to a compromise agreement which I thought at the time and still think, will be satisfactory to the western provinces. When I made the statement the proposal as outlined by the railways had not gone forward to the western provinces. The proposal was to have been put in writing and submitted to myself and I was to forward it to the four western provinces which were represented at the meeting held in my office

dealing with the matter during the interprovincial conference, at which meeting there were the Minister of Agriculture for this government and the representatives of the provinces in question. Since that time the proposal of the railways has come to hand and about a week ago I sent it on to the provinces, and only on Saturday I received from the premier of one of them his acceptance on behalf of the province which perhaps is most concerned in the matter, although I do not know that one can specify any particular province as being more concerned than another.

The compromise arrangement was something along this line. The export rate was a little less than half of the domestic rate on grain going west to Vancouver. Take for example the rates from Edmonton and Calgary to Vancouver. The domestic rate was 41½ cents and the export rate only 20 cents, and it was an actual fact that grain could be sent to China more cheaply than it could be transported to Vancouver. It was an obvious ground for complaint from the standpoint of the west that such a condition of affairs should exist. A year or so ago, when the appeal against the decision of the board of railway commissioners first came before me and the other members of the government, I discussed the matter with the railways and suggested that they make a compromise proposal. At that time I did not succeed in getting them to make such a proposal. The matter remained in abeyance until this later meeting at the interprovincial conference, and the railways finally agreed to a proposal which every representative of the west agreed would be acceptable. That proposal was that the rate from Edmonton and Calgary, instead of being 20 cents for export and 41½ cents for domestic, should be reduced on feed grains, that is, grain used for poultry and, I believe, cattle feed, to about 50 per cent, or a little more than 50 per cent in fact, of the differential, and that all other rates throughout the west on feed grain going west should be reduced in about the same ratio. That was the proposal they finally put forward to me and which I sent on to the west.

Mr. MACKENZIE (Vancouver): The new rate is 31 cents?

Mr. MANION: The proposal was that the rate on grain from Edmonton and Calgary instead of being 41½ cents should be 30 cents per hundred pounds, which seemed a reasonable compromise.

The railways have pointed out continuously, and with truth, that the rates on grain in Canada are the lowest in the world for the distance. They admit that the export rate westward is a good deal lower than the domestic rate, but that is the general attitude they took. They actually claim that the export rate does not give them an opportunity to make any money on grain exported.

Mr. HANBURY: The eastern movement is cheaper than the western.

Mr. MANION: I do not think that is correct. The export rate from Vancouver is very low, and they claim that if there should be a change, instead of the domestic rate being lowered the export rate should be raised. Further, they pointed out that if one interferes with the general rate throughout the western provinces and applies their proposal throughout the whole of the western provinces to interprovincial movements of grain, it will so confuse the whole rate structure, which is already confused enough, that it will call for a complete rearrangement of that structure for the western section of Canada.

I do not know that I have anything further to say except that, as I have observed, one of the provinces has already wired me accepting the proposal and taking the attitude that it will be entirely satisfactory to that province. I have every reason to believe, from the opinions expressed by representatives of the other three provinces who were present, that these provinces will take exactly the same attitude as the one which has already replied to my communication. I would suggest to the hon. gentleman who has moved the resolution that, pending receipt of replies from the western provinces to the communication which I forwarded to them, he might withdraw his resolution after adequate discussion. I invite hon. members on both sides to continue the discussion ad libitum, but after the mover has taken advantage of his right to reply, I suggest that he might withdraw the motion, because both he and his seconder will have accomplished what they set out to do, namely, to bring before the house and the country the need of some change in the rates as they now exist. I entirely agree with their suggestions, as proven by the compromise arrangement to which I refer.

I will not take up more time but I trust that hon. members, while desiring to put on record their views in regard to the rate structure in the west, will bear in mind that the provinces of western Canada will in all likelihood accept the arrangement proposed by the railways.

Mr. THOMAS REID (New Westminster): It was not my intention to say very much at this stage because, as the house knows, I

have a bill on freight rates which has received first reading; but there is another matter to be dealt with now, and it would clear the atmosphere so far as we in British Columbia are concerned. We have been seeking for the past few years for some reduction, and we should like to have the appeal disposed of which has been before the governor in council since the fall of 1930. I refer to the appeal with regard to rates on wheat, which was heard before the board of railway commissioners and, following their decision, taken to the governor in council. So long as that appeal remains undecided, no further appeal can be taken or heard by the board of railway commissioners.

The appeal which was taken to the board of railway commissioners had reference to rates on grain. British Columbia, in 1931, appeared before the board with an amended appeal, asking that a reduction in freight rates be given on coarse grains or cheaper grains, and they were told that no appeal respecting grain, either No. 1 wheat or coarse grain or grain of any kind for that matter, could be heard so long as that appeal was before the governor in council.

This matter is quite important and I should like to hear from the Prime Minister or the Minister of Railways what is likely to become of it. Personally I should be glad to see it disposed of. If the 50 per cent reduction materializes, it will no doubt be accepted. Indeed, anything is acceptable; half a loaf is better than no bread. While we are all glad to have the 50 per cent, it does not mean that we are satisfied, but every one of us will be pleased with the reduction if it goes into effect. I have been allowing my bill to stand waiting for a full statement from the Minister of Railways, and I think that something should be said regarding the disposition of the appeal which has been before the governor in council since the fall of 1930. As long as this appeal is not disposed of it precludes us in British Columbia from going before the board of railway commissioners with an amended appeal asking for a reduction in the rates on coarse grains.

Mr. MANION: I think I can answer the hon. member's question with one sentence. The other day he asked a question about this matter and I replied that as soon as we knew the reply of the western provinces, the appeal would be disposed of.

Mr. STITT (Nelson): Mr. Speaker, I beg to move the adjournment of the debate, provided that no other hon. member wishes to speak.

Motion agreed to and debate adjourned.

[Mr. Reid.]

## BANK ACT

PROPOSED REVISION BY BANKING AND COMMERCE COMMITTEE IN RELATION TO MONETARY REQUIREMENTS OF DOMINION

Mr. WILLIAM IRVINE (Wetaskiwin) moved:

That, in the opinion of this house, the banking and commerce committee should be instructed to study the Bank Act preparatory to its decennial revision and that the committee be instructed to consider the Bank Act in relation to the monetary requirements of the dominion, and in particular to report to this house on (a) the advisability of final departure from the gold basis; (b) the issuing dominion notes sufficient to depreciate our dollar to the level of the pound sterling; and (c) on ways and means of reducing the internal debt so greatly increased by deflation.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, part of this motion has been considered already by this house. On a point of order, sir, I think it will be within your memory that when the motion was made to consider the Imperial trade agreements a similar point was taken up and upon an analysis of the record I think it will be found that the proposals then put forward were similar to the subject matter of this motion. The house has voted upon the advisability of final departure from the gold basis, the issuing of dominion notes sufficient to depreciate our dollar to the level of the pound sterling and on ways and means of reducing the internal debt so greatly increased by deflation. The hon. member for Vancouver Centre (Mr. Mackenzie) will remember that he voted for the amendment moved by the hon. member for Macleod (Mr. Coote) which provided that there should be a deflation of the dollar to the level of the pound. The records of the house will show that the discussion upon these last three points was very general and very extensive indeed. The speeches were interesting even although in many instances they were entirely beside the point. I submit that this motion must necessarily involve a very limited discussion. I have no desire to limit the hon. member in making a motion, which we are not prepared to accept, that a committee of the house be instructed to do certain work, but I think his motion should be recast in order that the will of the house should be expressed with respect to the matter.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, on the point of order; I suggest that the resolution is entirely different from the subject matter of the discussion which was held previously in this house. I recall the amendment moved by the hon.

member for Macleod (Mr. Coote) and I agree with the Prime Minister that it embraced, in principle, certain matters contained in the resolution now moved by the hon. member for Wetaskiwin. The hon. member now asks the house that the banking and commerce committee should be instructed to study the Bank Act preparatory to its revision next year, this study to be made along the lines of certain economic proposals given in the resolution. I suggest that the discussion held in this house upon the amendment moved by the hon. member for Macleod was an entirely different matter from asking this house to refer the whole question to the banking and commerce committee for discussion.

Mr. SPEAKER: I shall take this matter under advisement. I shall have to compare the amendment with the resolution now before the house. In the meantime, I suggest that the debate might proceed.

Mr. IRVINE: Mr. Speaker, every ten years this parliament is given the opportunity to revise and improve the Bank Act and to decide whether or not the charters of the banks shall be continued for another decade. It is safe to say that since the present Bank Act was originally drafted there never has been so much public interest centered in its revision as at the present time. During the last decade in particular the importance of credit in its relation to the economic life of the state has advanced to the very forefront of world thought. The war turned the spotlight upon the financial institutions of the world, not only because of the vast increases in debt which followed but because the nations which were financially improverished in 1914 suddenly found sufficient money to carry on the most expensive undertaking of all history. It was found that the masses of the people were much better off, economically speaking, during the four years of war despite the wholesale destruction of life and wealth than they were during the peace which followed and had preceded the war. It was noted that when the war was over and men returned to peaceful avocations even though the production of the various nations was vastly increased the economic position of the masses of the people was worse than it was during the great conflict. The inquisitive mind naturally began to ask how it was that the nations which could not find money with which to provide food and clothing for their people in January of 1914 found the money with which to engage in war in the fall of that year and to pursue that war upon a scale more gigantic, more destructive and more costly than any war in preceding history.

May I digress for a moment at this point to emphasize the fact that some hon. members still argue that the destructive character of the great war is responsible in a large part for the present depression, and may I refer in particular to the statement of the hon. member for East Edmonton (Mr. Bury). The hon. member claimed that the war was the cause of the present depression. Those who listened to the hon. member and those who have read his speech will recall that he mentioned three causes for the present depression. The first was the great war, the second, over-production, and the third tariffs. The hon. member absolves the economic system from any culpability with regard to the present situation but he unwittingly placed a burden of the blame upon his own party. The point I wish to draw to the attention of the house is that while the hon. member tried to make out that the war was the cause of the present depression, in the same breath he stated that we were suffering from over-production. Surely, if the war had been the cause we would have had under-production, people would have been in want because goods were not being produced. But how, then, could he argue, since over-production had resulted, that the war was in any way responsible? The war did not destroy money; it destroyed goods which were made and paid for by the use of national credit during the war and therefore could not be a cause of the present depression. The interest of Canadians in financial questions was aroused by the inquiry instituted in 1923 by this parliament. The resolution which at that time marked the extent of the reference to the committee of inquiry was not taken seriously by the house; indeed, it was regarded as a joke by some, but even at that time it was not so regarded by the people of Canada.

May I summarize just as briefly as possible my argument on that occasion. It will be found on Hansard of February 22, 1923, at page 626. I argued at that time that there was insufficient financial credit to effect the distribution of goods produced in Canada; that such insufficiency of financial credit was inevitable under the financial policy so unquestionably followed by the banks and also because we were producing under a profit system; that these combined agents brought about a condition under which sufficient purchasing power was not distributed during the process of production to buy the output within a given time; that it was folly and madness to limit the issuance of financial credit to the amount of gold which we had

or might obtain, since gold discovered or undiscovered bears no sensible relationship to either the producing or the consuming capacity of the nation; that the national credit, which is the nation's power to produce and deliver the goods as, when and where required, was, if properly used, adequate to distribute the national production; that the national credit was monopolized by a few individuals who operate for personal gain and who are not responsible to anyone but themselves for the financial policy which they put into effect; that the policy of private bankers is wrong because it is based on gold, because it treats money as a commodity and thus prevents money from functioning as a means of exchange and because the whole system is a debt creating one and therefore points to an inevitable collapse; that at least the financial policy, if not the actual operation of banks, should be controlled by the government, instead of the government being controlled by the bankers' policy, and that the continuation of a bankers' policy would be disastrous.

All the arguments of that time, ten years ago, were ignored by the administration. Evidence of men like Major Douglas of London, England, Professor Irving Fisher of the United States, Mr. Neal East and Mr. Bevington of Alberta and others was quietly buried in the archives of parliament. The government of that day, like others since, decided to take the advice of the bankers. This, in my opinion, is like a judge, before pronouncing judgment, deciding to take the advice of the accused. What hardship, what unnecessary suffering and sacrifice the Canadian people would have been saved had the government taken the warnings and advice which were given to the committee that investigated this subject in 1923, and in particular the warning and advice of Major Douglas of England. May I refer to the evidence at page 443 and quote just one or two sentences which appear in the closing remarks of Major Douglas before the committee. This is taken from the journals of the House of Commons in 1923. He said:

> My own object in coming here is to make clear that I personaly am convinced that if you go along the lines that you are following at present, and if you continue along these lines for any considerable period of time—I am not going to tie myself down to date—but for my own part, and I think my opinion is being shared by an increasing number of people —I am perfectly certain you are heading for the most terrific disaster that the mind of man can conceive.

That was ten years ago and we are much nearer the predicted disaster than we were then. Indeed, as an hon. member has suggested, we are in that position at the present moment. Major Douglas made that prophecy, if I might call it such, after he had presented to the committee elaborate data indicating the entire inadequacy of the financial system, followed by both this country and Great Britain, to meet the industrial and economic needs of the times.

Mr. BENNETT: Will the hon. gentleman read his evidence before the Macmillan committee?

Mr. IRVINE: I have read the evidence before the Macmillan committee of the gentleman to whom reference has been made; I have read the Macmillan report, and I think it would be wise if parliament should decide to have a commission something like the Macmillan one investigate this subject and report to the house before the Bank Act is finally revised.

Mr. POULIOT: Is that professor a minor or a major prophet?

Mr. IRVINE: I shall not enter into the whimsies of my hon. friend. May I refer to the illustration given by Major Douglas and the evidence which has been mentioned. I refer to this because it will, perhaps, present clearly and succinctly what is at least one of the financial difficulties in Canada to-day. On page 464 of his evidence he likens money and its function to a railroad with the ticket system limited to the passenger capacity of the railway. He goes on to point out that if one or more people were to secure a privilege to deal in railway tickets, that is to say, to try to get four or five railway tickets in exchange for two or three, there would likely come a time when you would find passengers waiting for an opportunity to go on the train, with empty seats in it, and yet no tickets to permit those would-be passengers to go aboard the train. That is an excellent analogy of the present economic situation in Canada where we have an abundance of goods and a great consuming capacity among the people and yet we have not the ticket system, if you like, the money system to enable the people to acquire the goods that they desire so much to use.

I do not on this occasion desire to advocate the Douglas or any other system; I am not going to put forth the merits of any particular proposal of financial reform. The time to do that will be when parliament becomes convinced that the present financial system is wrong and when it deliberately sets itself to the task of devising and inaugurating a better one. My object to-day is to have a

committee of the house investigate the whole use of credit in relation to present economic conditions and to report its findings prior to the extension for another ten years of bank charters.

What if the bankers' advice should after all be wrong?

Hon. gentlemen of this house who still are convinced that the bankers' advice is right, "I beseech them," in the language quoted by the hon. member for East Edmonton, "in the bowels of Christ to conceive it as possible that they may be deceived;" and if they are deceived and the bankers' advice is wrong, we are just about to place in the hands of the bankers for another ten years a charter to carry this country on a wrong course for that period of time. Who will take the responsibility for that? Surely we ought to be absolutely certain that the policies of the bankers of Canada are right and that there be no mistake in our judgment in this regard.

I submit, sir, that it is positively dangerous for any government to follow the advice of bankers. Emerson, writing of the secret conclaves in which the Dean and Prebends of the cathedral communed with the Holy Ghost as to whom to appoint to the vacant bishoprics, said that invariably the dictates of the Holy Ghost coincided with the recommendations of the queen. Similarly the policy of sound money coincides with the wishes of the bankers of this and other countries. But the advice of bankers throughout the world has been wrong so invariably that we can no longer have confidence in it. Internationally we have as examples of misinformation and bad advice by bankers the Dawes plan, followed by the Young plan. Again, bankers journeyed all the way from Great Britain to Australia to put that country on the wrong track. Australia, however, decided to follow the advice of the British bankers just a little way, and then discovered that it would be disastrous to follow their advice completely, and so they diverged from it slightly, and to the extent only of that divergence Australia profited from the advice of the British bankers.

Mr. POULIOT: May I ask a question?

Mr. IRVINE: No, I refuse to be questioned at the present moment.

We have also the statement of the Right Hon. David Lloyd George in the House of Commons in Great Britain on February 12, 1931, when he was warning the Chancellor of the Exchequer, that right hon. gentleman who has since been called the Iron Chancellor, but who might more appropriately have been designated by some softer material, that he should not be afraid of the bankers. Mr. Lloyd George concluded by saying of the bankers, "They have been wrong every time."

Then we come to the tragic acceptance by the present Prime Minister of Great Britain of the advice of the bankers in that country. I believe that history will show that that was the major mistake made by that right hon. gentleman. Even before the election precipitated to secure popular sanction for the bankers' policy was over, the policies of the bankers in Great Britain were proven to be in error.

This parliament, then, should be able to advise itself on questions of credit and to dictate policies to the bankers, rather than have the bankers dictate policies to us. The investigation which I request by the resolution now before the house will tend to increase our knowledge of the subject and remove us from the necessity of having to accept the erroneous information of interested parties who are desirous of maintaining the present banking system largely for personal reasons. The resolution specifies that we should investigate the whole monetary system with a view to seeing to it that the monetary requirements of the Dominion shall be safeguarded. I want to make just one comment on that, Mr. Speaker. Between September, 1928, and September, 1932, there was a great depletion of credit in circulation in Canada. Very often we hear hon. members of this house saying that there is just as much money in Canada to-day as there ever was, and that therefore for us to argue that we are short of money bespeaks great ignorance. But let me point out to the house that in the period mentioned, from September, 1928, to September, 1932, there was a reduction of $584,000,000 in loans by our banks and a reduction in deposits of $362,000,000, which makes a total reduction for the period of $946,000,000 in circulation in the Dominion of Canada. There is no provision in the Bank Act, so far as I can recall, by which the bankers of this country can be compelled to maintain a definite relationship between the credit in circulation and the volume of goods on the market to be purchased by the people of this country, and those are the important factors for us to keep in mind in dealing with any monetary policy.

In the next place, the resolution suggests that we ought to investigate the advisability of departing from the gold basis. Now I know that we are not on the gold basis, but we seem to have an unfortunate hankering after it, and to wish to keep as close to a theoretical gold basis as possible. In doing so I believe that we are being misled. In this

connection let me quote a resolution which came before the House of Lords on December 15 last. The resolution moved by Lord Melchett read as follows:

That, since under modern scientific conditions productive capacity is unlimited, and since the existence of indigence and unemployment throughout a large portion of the population demonstrates the fact that the present monetary system is obsolete and a hindrance to the efficient production and distribution of goods, in the opinion of this house the government should bring forward immediate proposals for the economic reforms necessary to enable the subjects of this realm to enjoy the benefits to which their present productive capacity entitles them.

In discussing the resolution Lord Melchett argued that the gold standard had been abandoned and would never be returned to, and further he prophesied that there was no hope of finding any way out through the proposed World Economic conference. May I also note in passing that while the resolution discussed in the House of Lords demanded that the government should immediately inaugurate a financial policy that would be calculated to distribute to the British public the advantages of the productive system which they had achieved, the resolution which is now before this parliament merely asks that we should investigate with a view to finding out whether it would be advisable to have such a policy. The resolution which was presented to the House of Lords was defeated by only four votes.

Mr. BENNETT: What was the vote?

Mr. IRVINE: I am sorry that I cannot give the right hon. gentleman the actual figures, and I do not know that it matters. Even if there were only eight members present, the fact remains that the resolution was defeated by four votes.

Mr. POULIOT: Lord Melchett wanted to replace the gold standard by watered stock of Nickel.

Mr. IRVINE: If you cannot keep the hon. gentleman quiet otherwise, Mr. Speaker, I would ask you to name him or get him out of the chamber. He is a bother to me.

Mr. SPEAKER: The hon. member before interrupting should ask for permission to put a question.

Mr. POULIOT: When I asked for permission he refused.

Mr. IRVINE: Surely any hon. gentleman has a right to refuse to answer a question. I do not want to be discourteous to my hon. friend, but I am trying to present a case which is not so easy to present as my hon. friend may imagine, and when he interrupts in the middle of a sentence it is difficult to answer him.

The House of Lords defeated by only four votes a resolution more drastic than this. Might it not be expected, in this parliament, which no doubt imagines itself far in advance of the House of Lords in modern thought, that a resolution to investigate would be willingly accepted?

Thirty-two countries of the world, I believe, have already abandoned the gold standard. Although I am not going to argue it now, I believe that by adhering as closely as possible to the gold standard we have suffered disadvantage, at any rate the subject is a matter worthy of investigation. We are not all as convinced, as the government is, that it is wise to stay as close to the gold standard as we are. The government may be right, I am willing to admit the possibility that I may be wrong, but I do not think it is unreasonable to ask that the government give us the opportunity to investigate.

The resolution suggests also that we investigate the advisability of bringing our dollar to a par with the pound sterling. I am not blind to the tremendous difficulties which from the beginning of its term the administration has had to face in dealing with our relationships and obligations to other countries. Again I say that I am not entirely sure that the government is right, and surely it is a question for investigation.

In this connection the Financial Times of December 30 last presents a table showing Canadian bonds falling due in 1933, federal, provincial and municipal, amounting to $603,406,000 and corporation bonds amounting to $79,994,000, making a grand total of $683,400,000. These are payable as follows: in United States funds, $266,649,000; in Canadian funds, $378,108,000, and in British funds, $38,643,000. It will be seen from these figures that an alteration in the value of our dollar would be rather to our advantage, since we would be at a disadvantage only in respect to the $266,649,000 payable in United States funds, and would be at an advantage in respect to those payable in Canadian and British funds, not to speak of other factors which would have to be taken into consideration and which might give us an advantage. For instance, I cannot see why a reduction in the value of the Canadian dollar would not give us an advantage in the British market, making possible the benefits which the government tried to secure in their trade agreement with Great Britain. Depreciation of the dollar to par with the pound would also have the effect of increasing our trade with the United States

or other countries which might have their currencies on or near the gold basis. It is possible, of course, that the United States would immediately raise their tariff to prevent that; they might even place an embargo against our goods. But if nothing so drastic were done, Canada would be at a great advantage in export trade and thus be in a better position to meet her obligations in the United States in United States funds without losing the exchange at all.

One other thing I desire to emphasize. It is proposed to postpone the revision of the Bank Act for a year, a course of action which I think would be very wise, provided the government afford us opportunity to study the problem in the meantime. Indeed, I had intended to include in my resolution a proposal to defer the revision if it had not been mooted by the government. The revision of the Bank Act is a tremendous task, and it would be to the advantage of this house and the country if during the remaining months of the present session we had a committee, perhaps the standing committee, investigate the whole financial system, with all possible facts and data brought before it to guide it in dealing with these debatable points, the gold basis and the reduction of our dollar to a level with the pound. Thus the government and parliament would be enabled to reach a safe conclusion for proceeding next session with the revision of the Bank Act.

Mr. SPEAKER: On the point of order raised with regard to the regularity of the motion, it seems to me that the paragraph lettered (b), and reading as follows—

> The issuing of dominion notes sufficient to depreciate our dollar to the level of the pound sterling—

—has been fully dealt with already by an amendment moved by the hon. member for Macleod (Mr. Coote) and seconded by the hon. member for East Hamilton (Mr. Mitchell) on November 2, 1932, in these words:

> —and subject also to establishment of parity of the Canadian dollar with the British pound.

At that time the same matter was discussed that is sought to be brought up now under different wording.

Mr. MACKENZIE (Vancouver): May I discuss that point of order?

Mr. SPEAKER: I believe the hon. member has already discussed the point of order. I would suggest that the words contained in paragraph (b) be deleted from the resolution, otherwise I shall have to find the whole resolution out of order.

Mr. IRVINE: I am sorry to do so, but I would ask the unanimous consent of the house to the withdrawal of that section. If it is in order I should like to carry on with the remainder of the resolution.

Right Hon. R. B. BENNETT (Prime Minister): I was about to say that the hon. gentleman had been so moderate in his statements and had not traversed the ground previously covered so well, that so far as I was concerned I had made up my mind that if this paragraph were deleted the debate in connection with the resolution might continue. So far as the government is concerned it is satisfied to let the debate continue, with the deletion of those words in regard to which the judgment of the house already has been sought.

Mr. SPEAKER: Does that meet with the approval of the house? If so, it will be so dealt with.

Mr. THOMAS REID (New Westminster): The resolution now before the house, introduced by the hon. member for Wetaskiwin (Mr. Irvine) and seconded by myself, asks for three things, but since one paragraph has been ruled out I shall deal only with the two remaining.

I do not intend however to deal at great length with the third paragraph, which reads:

> . . . on ways and means of reducing the internal debt so greatly increased by deflation.

I can also assure your honour that I do not intend to present the same or similar arguments that have been brought forward during previous debates, especially during the fall session. Before coming to the gist of my argument, however, I should like to touch on paragraph (c) very briefly. In my opinion the question of internal debts should be dealt with at once. I think the house will agree that the government did a very fine thing last week when they accepted the resolution proposed by the hon. member for Red Deer (Mr. Speakman), which had to do with the great burden of debt in Canada. In my opinion this should have been done quite some time ago, because unquestionably these debts are crushing the very life from our people. It would have been difficult enough to meet the debts without having added to the present burdens the increase which has been brought about by the drop in commodity prices.

Paragraph (b) has been ruled out, so in passing I will say only a word or two with regard to it. I have no definite idea as to what amount of notes would have to be issued in order to depreciate the Canadian dollar to

the level of the British pound, but I am firmly convinced that it would have been greatly to the advantage of our trade if our dollar had been so depreciated. I believe this should have been brought about some time ago, and I think we would have obtained a great advantage if this had been the case at the time the conference met in Ottawa. To-day there are some twenty-five or thirty countries which have adopted this course of depreciated currencies while only some five or six of the prominent nations have maintained what is understood as the gold standard or basis.

Australia and New Zealand have certainly strong convictions in this regard. I do not know how it was done, but they have depreciated their currency on a line with that of the pound sterling and, as a matter of fact, have endeavoured to keep below the level of sterling. The argument has been brought forward that Canada is in a somewhat different position from those two countries in that we have borrowed so much money in the United States. That might be true, but the fact remains that most countries have depreciated their currencies, and instead of a world scramble for gold now we have a world scramble for depreciated currencies, which have enabled these countries to overcome almost all tariffs which have been raised against them.

Consider the case of Japan, which has learned how to get her goods over high tariff walls. That country has issued paper currency with a silver coverage, and it may interest the house to know that to-day Japan is shipping considerable goods to the United States, as well as to Canada. I am going to mention only four or five articles to show how this has worked out. I believe Japan is landing rubber boots in the United States at 34 cents a pair; rugs at 6 cents each; grass rugs six by twelve at 92 cents, and last year Japan exported to the United States some 54,500,000 light globes. As everyone knows, Japan has depreciated her yen; to-day the seller can get almost five yen for a dollar. That represents a premium of about 135 per cent on each dollar's worth of goods sold in the United States or Canada. In my opinion Canada is and has been at a distinct disadvantage because of the fact that her dollar has remained tied up to the gold standard, and it is generally recognized now, I believe, that the Ottawa conference agreements are of little value so long as we remain on the gold standard. Whether or not it is done deliberately I believe that ultimately our dollar will be forced much lower than it is at the present time. I believe this will be the case and the quicker the better perhaps for our trade.

[Mr. Reid.]

Now, Mr. Speaker, the first paragraph of this resolution and the one with which I wish to deal particularly, has to do with the advisability of finally departing from the gold basis. I differ somewhat from the mover of the resolution, who believes that we do not need any metallic substance, such as gold or any other precious metal, as a base for our currency. I take the view that we need gold and that we need something else as well. I realize also that one school of thought believes that neither gold nor any other precious metal is required for currency, or even as a base for currency, and I am not overlooking the fact that to-day currency is not based entirely on bullion. In my opinion, however, we must have some unit of value. The process of individual barter is too tedious and too complex. It is true that many years ago, in the days of primitive civilization, the barter method was followed, but it was not long until that method was discarded; as civilization developed and the wants of mankind increased, it was found necessary to have some unit with which to measure not only goods but services as well, and I do not believe anyone would seriously consider going back to the days of barter. It is universally agreed, I maintain, that we must have some token or unit of value, some standard whereby we can measure our everyday exchanges or services. I admit that we can and do use paper as money to-day, but the majority of the people have the utmost confidence that behind all that paper there is something much more tangible. It is true that the confidence of the people themselves enables us to use this paper and to conduct our business transactions with paper in the form either of dominion or of bank notes or cheques, because of the inherent and fundamental belief that the paper issued is a real unit of value and can be readily exchanged. Since the beginning of civilization the token of value has been the precious metals, either gold or silver, or both. And there can be no better tangible unit or yardstick, and certainly none in which the peoples of the world have greater faith. Silver and gold are both precious metals; they are not base metals. They have been in use for centuries not only as tokens, like cheques or dollar bills, but as tokens plus something else, as coins having a material value, a commodity, if you like.

The gold or single standard which we are on to-day, and which is the monetary basis of the remaining six prominent nations, did not come about by mere accident. Up to the year 1861 Great Britain and other countries had been using silver as the token of value.

In 1860 she was using gold also, but in that year she went off gold entirely and adopted silver as the unit or token of value. Although she had gone off the gold standard, she still used silver, and I believe that the word sterling itself comes from the use of silver.

In 1873 Great Britain forced the United States off the gold standard, although the United States was then using silver as its unit of value and as its currency. It is interesting to know that after the lapse of some sixty years the United States, which was forced off the gold standard in 1873, now practically controls the gold supply of the world, with the result that almost all countries with the exception of perhaps six have now abandoned gold and adopted something else, we are not sure what. It may be goods or credit; I am not quite sure. At any rate, the gold standard was not brought about by accident but in my opinion by design. The bankers and financial manipulators recognized that with a single standard such as gold they could better manipulate and control the financial affairs of the world for their own advantage. They felt that it would be to their advantage to have a single standard such as gold, and that in my opinion was one of the main reasons why leading nations went off bimetalism. The reason, in my opinion, was that manipulation could be more easily practised. Silver was deliberately demonetized in 1925, and we heard no cry in those days about interfering with the sacred rights of the people, although sixty per cent of the people of the world were almost ruined overnight. In 1925 Great Britain forced India, with a population of 800,000,000, to accept the gold standard. I have here a report of a meeting that took place in the city of Vancouver at which this statement was made on reliable authority regarding Great Britain and India:

> India, the great repository of silver, was placed upon a gold bullion standard in 1926. Adoption of the gold standard left an amount of silver rupees to be disposed of variously estimated from 400,000,000 to 600,000,000 ounces. The law provided that this stock be sold within a period of ten years. From then until now, India has disposed of some 80-100 million ounces.
>
> Thus a large surplus still over-shadows the silver market. India, in daily practice, remains a silver-using country, and her people find their personal fortunes measured in terms of silver in its ratio to gold, reduced by about one-half, and this fact alone is regarded by many as a contributing factor to the prevalent unrest.
>
> Mexico has reverted to the silver standard, the silver peso now being the only legal tender, and so we find about one-half the population of the world are silver users, and think and trade in terms of silver.

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The surplus silver thrown into the world's market in 1925 and 1926 practically impoverished 1,200,000,000 human beings. China, with her 400,000,000, and India with 800,000,000, had their purchasing power suddenly taken from them. This surplus silver thrown suddenly into the world market brought the price of silver down from around $1.25 an ounce to something like 32 cents, and so we witnessed a world scramble for gold. The only medium of exchange, Mr. Speaker, which 1,200,000,000 people had was taken from them over night, and that by direct and deliberate manipulation of the financial and banking interests of the world.

We have reached an impasse in our trade relations to-day. Tariff barriers have been raised by almost every country and goods and produce are at a standstill, so that they cannot move from one country to another. This is due in large measure to tariffs. Only a few countries, practically speaking only two, have gold, although we are supposed to be on a gold standard. We can neither exchange our goods nor obtain this one precious metal to pay for any goods we do buy. We see to-day the spectacle of the United States and France with practically two thirds of the world's gold supply lying idle in their vaults, while tariff barriers have been raised against any goods coming from other countries. These countries which have not the gold are denied the right of purchasing goods because they have no gold to pay for them.

There is only, roughly speaking, $11,000,000,000 worth of gold bullion in the world, two-thirds of which, as I say, is held by France and the United States, and now we have the other spectacle of a wild scramble with depreciated currency. The question then arises: What shall we do? That is the question before the nation to-day. If countries will not agree to lower their high tariff walls so as to allow the free interchange of goods and if nations cannot pay with the recognized unit or yardstick, which to-day is gold, what shall we do? My answer, and the one which I put forward for the consideration of the House, is this. Stabilize silver and go back to a bimetal standard, using both silver and gold as the unit of value or measure. This is not a new formula; it is not something new but something that has been advocated by many men before. I do not know whether it has been advocated in this house but I do know that it is not a new theory. The use of silver is as old as the hills themselves and it has always worked well. Even to-day over sixty per cent of the peoples of the world use silver

as the one unit of value or measure stick for services.

Others refer to a managed currency based upon paper alone. That might work all right domestically where and so long as we have confidence in one another, but paper alone would not be acceptable as between nations, the majority of which still believe in precious metals which have not only an intrinsic but a commodity value as well. The stability of prices is a very desirable thing at the present time, and I would point out to the house that over a period of years, taking the wholesale price of 550 articles, silver has varied only some fifteen per cent, while in that time gold has varied or increased one hundred per cent. There is a very close relationship between silver and commodity prices. In 1919 wheat was selling at $2.56 per bushel and silver at $1.25 per ounce. We have never had a standard to compare with the silver standard, and I ask the house to compare the stability of silver with what has happened in the case of gold. In 1928 one ounce of gold would purchase seven or eight bushels of wheat; to-day that one ounce of gold will purchase sixty or seventy bushels. In 1928 one ounce of gold would purchase one ton of potatoes, while to-day the same ounce will purchase five tons. In 1928 one ounce of gold would purchase one hundred gallons of milk in the Fraser valley; to-day it will purchase over two hundred and twenty gallons. Let us also consider the gold standard in relation to labour. In 1928 one ounce of gold would purchase five days of labour at $4 per day; to-day that same ounce will purchase fourteen or fifteen days of labour at $1.50 per day, which is the average price for labour being paid in British Columbia.

There is a fear in the minds of some that silver would flood the world, but I claim that this would not be the case. I have obtained the figures showing the production of silver, and they show that since 1492 the total world production has been only fifteen billion ounces. If silver were worth one dollar per ounce to-day, which it is not, we would have only fifteen or sixteen billion dollars worth of silver. I maintain, Mr. Speaker, the production of this metal has not varied, and the surplus to-day is only some 250,000,000 ounces.

Fifteen or sixteen to one was the basis or ratio used in bimetalism. This ratio was based upon the production of the two metals, and the ratio of production has not changed during the past four hundred years. The production of gold and silver for the last five years likewise shows that the ratio of fifteen or sixteen to one of gold still maintains. Again, bimetalism is not capable of indefinite expansion; whilst the supply of silver is plentiful it is not unlimited. At the present time twenty-five or thirty countries are off the gold standard, while six very important ones still remain. Those countries still on the gold standard cannot trade with the countries which are not, unless they inflate or depreciate their currency. I realize unlimited paper inflation is fraught with some difficulty. Paper as money would not be accepted by other countries. It has no barter or intrinsic value; it is not a commodity like silver or gold. The precious metals are much sought after in the orient and in India with its population of 800,000,000. If we had either silver coinage or paper money with silver as a coverage basis, we would have a sound money. It would not be a fiat money; it would have a real commodity value. As I said, over sixty per cent of the world's people would be very glad to have all the silver coinage or bullion we could give them. Silver has a value as a precious metal; and, what is very important, the people have confidence in it. Many of us would not be adverse to having our pockets filled with silver coins or even to having a supply of silver at home. It is the bankers and the creditors who object when we speak of any inflation, either by paper or by silver. They consider it no crime to take two dollars now for every dollar of debt created a few years ago, but their cry is of holy horror when inflation or depreciated currency is mentioned.

The stabilizing of silver upon a currency basis would add to the basic wealth of over half the world's population. It would help those countries which were ruined when they were forced on to the single standard of gold. Many countries are forced to sell their goods upon a silver standard and buy back in terms of gold. In other words, we refuse to use the unit of value or the yardstick of over half the world's population and then by means of tariffs we refuse to admit the goods or products of those countries.

In my opinion the stabilizing of silver at fifteen or sixteen to one would accomplish two very important things. First, it would check the rise in the value of gold and so stop prices from going still lower. A few moments ago I gave a comparison of what one ounce of gold would purchase in 1928 as compared with what it would purchase in 1932 or 1933; this stoppage of the lowering of prices would certainly be a very desirable thing. The stabilizing of silver would also raise the purchasing power of 1,200,000,000 people, everyone a potential buyer of our products, if we would only let them. Are we going to sit and wait until our standard of living is forced down to the level of those

people or are we going to do something which will raise their purchasing power so that they will be able to purchase the goods which we have to sell and which they would like to have but cannot?

It is true that bimetalism might not solve all the world's problems, but it would be a real step in the right direction. We would be giving the people sound money, we would be giving them the kind of money which has been used since the days of Christ. Silver money has always worked well for the people but not for the manipulators and financiers.

I have no great faith in the statements of prime ministers or premiers who tell us that we cannot do this or we cannot do that in case something fearful might take place. In 1929 Ramsay MacDonald, Prime Minister of Great Britain, informed the British House of Commons that it would be disastrous for Great Britain to go off the gold standard. He said that calamity would befall the nation; that it was unthinkable Great Britain should go off the gold standard. Nevertheless she has done so; she has depreciated her currency thirty per cent and yet no calamity has resulted. As a matter of fact, Great Britain during the last year has purchased more food supplies than she did when she was on the gold standard in 1931-32, employment has increased to a considerable extent and her export trade has also increased. So when I hear prime ministers saying that we cannot do this or we cannot do that with our currency, I am always mindful of Ramsay MacDonald making that straight statement to the House of Commons in London.

We have plenty of silver and many silver mines, but while we have gold mines, we have not enough gold mines to supply the gold that even this country would require to pay her debts or interest outside. Japan, as I say, has issued coinage based on silver. Germany, France, China and India are all buying silver. Why not Canada? Why can we not be bold enough to take a step along those lines? Great Britain has now declared, that for many years to come she is not going to go back to the gold standard. Why cannot Canada, which has plenty of silver, use it as straight currency or as bullion to stabilize prices as was done before? Or are we going to drift and wait until our dollar is forced down as it ultimately will be? Why cannot we now take some steps that will enable us to trade with other nations, especially when one considers that less than half the world is endeavouring to do business on a small and inadequate amount of gold while the greater part of the peoples of the earth are still using silver as its basis or unit of value? This is what the Canadian gold dollar has to fight to-day in the world's markets:

| Country— | Premium percentage |
|---|---|
| Great Britain | 45 |
| Japan | 135 |
| Spain | 137 |
| Norway | 55 |
| Sweden | 47 |
| Denmark | 55 |
| Brazil | 64 |
| Chile | 101 |
| Argentina | 65 |
| Peru | 47 |
| Mexico | 52 |
| India | 45 |

Mexico uses a silver coinage. This list does not include Australia and New Zealand, which are at present beating us in the markets, not only of Great Britain but of the orient and in all countries with depreciated currencies.

To-day other countries are finding a way into United States markets in spite of high tariffs. Are we going to hesitate about getting into the scramble of depreciated currency, or take a step towards a system that all through the ages has been one of the best so far as exchange of values is concerned, namely, silver and gold, or bimetalism? Japan, to my mind, is a more serious competitor than is Russia in world markets. She has brought that about by depreciating her yen to one-fifth of its previous value. One way to protect ourselves is by stabilizing the price of silver. This would immediately raise the price of silver all over the world and the purchasing power of 1,200,000,000 people would also be increased. This would automatically raise the cost of goods produced in those countries and would help to counteract the dumping of cheap goods into other countries. It would also help to stabilize prices. Bimetalism would do all I have stated and I should like to hear hon. members who may follow voice a contrary opinion, or tell the house of any better, safer and more practical scheme.

I have not gone into every detail, but I would urge the house seriously to consider broadening the basis of our unit of value and adding silver to that of gold. Something must be done and done speedily, and I am suggesting what I believe to be a way out, or at least a very important step in that direction. We have clung too long to the single standard. As I have stated, some twenty-nine countries have taken action of their own accord and we shall very soon be forced to take similar action, because it is almost impossible for us to trade or compete with those countries which are already and are still bent on using depreciated currency

and do not forget that Great Britain has depreciated her currency by some thirty per cent.

In closing I should like to quote from a message issued by Pope Pius XI in 1931, as follows:

> How poor, paltry, stupid and unpardonable the voices of certain great bankers of the old and the new world crying for lower wages and lower standards of living for the hand and brain workers of the white race to enable the shipyards, mills, factories, farms and mines of the Aryan world to compete with the semi-slave workers of Russia and the orient!

I ask in all seriousness that the committee on banking and commerce give earnest consideration to the suggestions which I am now putting forward and that we make a move in favour of bimetalism, using silver as well as gold.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

Mr. A. M. CARMICHAEL (Kindersley): Prior to the dinner hour, debate was following along the line of consideration being given to our Bank Act when it comes up for revision either this year or next. Not being a member of the banking and commerce committee, and not finding it possible to be there when the revision takes place, I am glad of the opportunity to take some part in the discussion on this resolution. I think it would have been most unfortunate had the debate been ruled out of order.

In the debate this afternoon one of the speakers dealt with the possible merits of bimetalism. I was much impressed by his arguments, and possibly there is considerable force in them.

I found when I got home during the Christmas recess and held meetings among my constituents that, particularly at this time, there seems to be a general feeling in favour of reforms of some sort in our monetary system. The agriculturists of western Canada are very wide-awake and well versed in governmental matters; they feel that something should be done to help them in their present situation, and perhaps one line of thought which their minds take more than any other is reform in banking and finance, or monetary reform.

A number of criticisms may be offered against our present financial system. I do not think it helps us at all to refuse to recognize these criticisms. On the contrary, I think it is good for us to hear them, and if there is a remedy for any of the defects in the present system, we should be open to receive suggestions and provide a remedy.

One of the criticisms that I heard when I was home during the recess was the cost of putting into circulation last November $35,000,000 of currency. I have often been asked, why was it that it cost the government so much to put that amount of money into circulation? I think we here are all aware that that money was put into circulation in perhaps the only legal way in which it could be done, namely, through our existing banking system; but for that small operation of circulating $35,000,000 of their own money the taxpayers of Canada have to pay to the banks one per cent for a period of two years, or a total of $700,000. People find it hard to understand why it should cost so much. They also ask this question: That amount of money is put into circulation for two years, and after that time has elapsed, what is going to happen? Will the loan be extended for another year, or for two years, carrying the same charge of one per cent? If so, it will mean a further charge of $350,000 if extended for one year, or $700,000 if for two years. Or will the loan be retired? If so, it will mean that we shall have to tax ourselves to raise another $35,000,000 to retire the original loan.

I find, too, a good deal of criticism from the struggling agriculturists in regard to the profits which our banks are making at the present time. Even though our primary industries find it extremely difficult to exist, let alone make any profit, we find by the last financial statement of our banks, dated December, 1932, that their dividend rates are very substantial, one bank declaring a dividend of eight per cent, seven of them ten per cent, and one, the Bank of Nova Scotia, declaring a rate of fourteen per cent. There was just one bank in the dominion, Barclay's, which did not declare a dividend, and it operates in only a very small way.

Another criticism is the difficulty that governmental and other organizations, as well as private individuals, experience at times in raising money for any legitimate purpose. Perhaps some of us are not aware that some of our institutions have considerable difficulty in raising money, and when they do raise it, they have to pay a rather high rate of interest. When I was home in the Christmas recess, a municipal corporation close to my own home town was taking steps to raise money by way of scrip. This practice has not become very common in Canada, but at least one small urban centre in Alberta is now on its second

year of issuing scrip. That is, they issue their own paper for services performed, and the business men carry that paper over until the taxes come in and the paper is redeemed. This municipal corporation in my constituency, comprising ten townships, is now working along that line, interviewing merchants in two of the larger towns close to the organization with a view to having them carry that scrip over until the tax money is available in the fall. They are taking this course, not because the banks will not lend them any money, but in order to get away from the substantial interest charges which the banks would make for lending the money.

We know that our banks pay a very low rate of interest on deposits, a matter of three per cent, and there have been rumours recently that the rate is to be decreased to 2½ or possibly 2 per cent; yet the interest rate charged to individuals or corporations in our own west runs from seven to nine per cent. In fact, a municipal corporation generally pays 7½ per cent, and a private individual 9 per cent.

Another rumour I have heard is perhaps more serious. There may not be any foundation for it, but it is that our banks are making undue profits out of the present exchange situation between Canada and the United States. I would not say that that is a fact, because I do not know, but I do know that there are rumours to that effect. Possibly the pending litigation in reference to the city of Calgary will bring out whether or not they are well founded.

The most serious criticism that may be offered in regard to banking and finance is the decrease in our note circulation, both dominion and bank notes. I have taken the trouble to compare the amount of notes in circulation in the year 1921, when the second last decennial census was taken, with the amount in circulation in 1931, when the last census was taken. I also have the figures for December, 1932, the latest I can secure. It is alarming to note the decrease in circulation of bank notes particularly during the past ten or twelve years. Without giving the aggregates I will give the per capita circulation. In 1921 it was $30.58 of dominion notes. In 1918, 1919 and 1920 there was an even higher per capita circulation than that; in 1919 it was $35.47. In 1931 it had decreased to $14.01, and in December, 1932, it had further decreased to $13.01. Of bank notes, in 1921 the per capita circulation was $22.15. In 1931 it had decreased to $13.68, and in December, 1932, there was a further decrease to $12.25. Putting those figures together we find that the total per capita circulation in 1921 of both dominion and bank notes was $52.73. In 1931 it was $27.69, and in December, 1932, $25.26—a gradual decrease during the last ten or twelve year period.

I might point out that a large part of the dominion note circulation was composed of notes of high denominations not in the hands of the general public but rather used as a circulating medium between banks. They were of $1,000, $5,000 and $50,000 denominations. In 1931 there were over $100,000,000 of these. Taking that away it leaves a little over $40,000,000 in 1931, or $3.90 per capita circulating among the people. Add that to the circulation of bank notes, $13.68, and you have a total per capita of $17.58.

Here is something I would like to point out in regard to dominion notes: The value in circulation remained fairly steady from 1919 to 1931. In 1919, excluding the larger notes from $50 to $50,000, the dominion note circulation was a little over $35,000,000. In 1921 it was almost $34,500,000; in 1931 a little over $35,000,000. You can see that the value of dominion notes actually in the hands of the public remained fairly uniform. Of bank notes, in 1919 there were nearly $219,000,000; in 1920 nearly $229,000,000; in 1921, $194,000,000; in 1931, $142,000,000, and in December, 1932, a little over $127,000,000—an actual dropping off of bank notes. Putting it in another way, if we take 1920 as representing 100, in December, 1932, the bank note circulation was only 55, a drop of 45 per cent. There was also a large dropping off in bank loans; I think that was mentioned by the hon. member for Wetaskiwin (Mr. Irvine). From 1929 to 1931 there was a drop of 25 per cent in bank loans, amounting to more than $550,000,000.

This to my mind constitutes a weakness in our banking system, or perhaps a number of weaknesses, that if possible some means should be found to correct. As one holds meetings among his constituents, he finds many ideas advanced. One is that we should nationalize our banking system, some will say socialize it. Various remedies are put forward for correcting the evils that the people know to exist. May I briefly put before the house what to my mind would be a means of correcting these evils, at least to some extent? I have in mind the system of banking which is in operation in Australia. I do not purpose going into it very much in detail, because in 1928 there was a debate in this house on a resolution proposed by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and at that time I dealt in some detail with the Australian

Commonwealth bank. Any person interested in that system of banking will find in the debates of 1928 much useful information.

The act to incorporate the Australian Commonwealth bank was passed in 1911, and the bank opened for business on January 20, 1913, just a little over twenty years ago. In my speech in 1928 I outlined the operations of the savings bank, giving the number of depositors and the amount at credit of depositors from the commencement of operations until June 30, 1925. Following on from that date I find that the number of depositors increased, so that at June 30, 1930, the number was 1,329,701 and the amount at credit £49,562,874. At that time I also showed the general business of the bank, indicating the losses or profits each year from the commencement until June 30, 1925. For the first two years of the bank's operations there were slight losses, due to the heavy expenses of getting the bank under way, but after that there was a steadily rising profit each year, so that for the year ended June 30, 1925 the net profit was £4,989,230. For the year ended June 30, 1926 the aggregate net profit was £5,456,551; for the year ended June 30, 1927, £6,057,514; for the year ended June 30, 1928, £6,766,415; for the year ended June 30, 1929, £7,514,935; and up to June 30, 1930, the last year for which I have record, the net profits were £8,336,124. You will note that there has been a gradual increase in profits each year from the end of the first two years up to the last year for which I have any record.

An important feature about this Australian Commonwealth bank is that half the net profits are placed in the bank's reserve fund and the other half are credited to the national debt sinking fund. In other words, the money does not go into the hands of private people in the form of dividends. Perhaps the most important point is that in December, 1920, the bank was given control of the Australian bank note issue. Here is something worthy of note. Notes is circulation on June 20, 1925, totalled £53,890,226, and of that total 42 per cent or £22,633,894 were held by the public. On June 30, 1930, five years later, the notes in circulation totalled £44,914,326, of which total 50.2 per cent or £22,546,991 were held by the public, almost the same amount that was held by the public five years previously. The interest paid by the Australian Commonwealth bank, in its savings department, is 4 per cent on the first five hundred pounds, 3½ per cent on the next five hundred pounds and 3 per cent on the next three hundred pounds. This rate compares very favourably indeed with the straight Canadian rate of 3 per cent, regardless of the amount of money deposited in the bank. There are twenty-one cheque-paying banks in Australia, including the Australian Commonwealth bank, and they are all making profits. There are twenty privately owned banks which are making handsome profits, as is evidenced by the dividends they have declared, ranging from 8 per cent to 16 per cent per annum.

It would appear to me, Mr. Speaker, that a Dominion of Canada bank could be launched and operated, following the example set by Australia, with no expense to the country after the first two or three years. We have heard some of the leading members of the great Liberal party refer to the possibility and perhaps the advisability of establishing a central bank. I do not know just to what they refer, whether it is to be similar to the Australian Commonwealth bank, owned and operated by the government, or similar to the federal reserve bank of the United States, which is something else altogether. I am not sure whether our Liberal friends are agreed as to the kind of bank they desire, or as to how it should be operated. I am sure, however, that it will be a good political bank, and that it will be formulated in a way calculated to attract the support of the people at the next general election. I would seriously suggest to them, however, that to follow the example of the Commonwealth of Australia would be safe, sane and sound. Already in our post office savings account we have $23,328,998, as of August 31, 1932. The province of Ontario savings branch has deposits totalling some $27,000,000, and the province of Alberta has a savings account of almost $11,000,000. These three accounts represent a total of more than $61,000,000, and in addition there is a provincial savings account in the province of Quebec as well as a local savings bank in the city of Montreal. I suggest, Mr. Speaker, that funds such as these could be collected very readily in order to start a Dominion of Canada bank, which could handle our dominion, provincial and municipal accounts, including those of towns, cities and rural districts. Such a bank could handle also school district accounts, the funds of church organizations, and so on. The first business done by the Australian bank was almost exclusively government business.

As I see it, a number of distinct advantages would result from such a move. The most important advantage, of course, would be that such a bank could control the issue of all notes in Canada, and we would not have the fluctuation in regard to bank notes that we have seen during recent years. Just as the

dominion note issue has been kept fairly steady for a number of years, so if we had a dominion bank controlling the entire note issue there could be a uniform supply of currency kept in the hands of the public year after year. Such a bank also could regulate and control interest rates. It does not seem a good business proposition to the public that they should get 2½ per cent or 3 per cent for their money while the private banks lend that same money at 7 per cent, 8 per cent and 9 per cent, enabling them to declare large dividends even in this time of depression. In addition, in the circulation of any large sum of money there would be no need to pay commissions, as was done last fall. That $35,000,000 would have been put in to circulation and there would have been no necessity to pay a commission to any private corporation. Such a bank probably would make profits, even as the bank in Australia makes profits, but no private individual would get rich because of those profits, which would be credited against our ever-increasing national debt. I am sure we are all agreed that this is one place where we need to have something credited if we are ever to liquidate that debt.

In addition to all these points, Mr. Speaker, such a bank would help to offset the present tendency to issue scrip. I do not know whether or not our banking institutions are at all alarmed because of this tendency, but if the depression continues for another year or two I think we will see a number of corporations issuing scrip. Only a month or so ago the city of Calgary talked of issuing scrip to the amount of a million dollars, and I am not sure that they have given up the idea even yet. At all events there is a growing feeling in the municipalities of western Canada that the issue of their own scrip offers a way out of their present difficulties.

It may be said that this proposal, if adopted, would involve a considerable expense, but if the government would review the history and progress of the Australian Commonwealth bank and take particular note of the ever-increasing profits shown by that institution during the last seventeen or eighteen years, I think they would be convinced that this is a good, safe, legitimate and profitable business for the Dominion of Canada to undertake.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I rise to support the resolution which has been brought before the house by the hon. member for Wetaskiwin (Mr. Irvine). In doing so I should like first of all to direct attention to the fact that the largest single item in the estimates now before the house is the sum of $137,500,000, representing interest on our national debt.

This resolution asks for a review of the monetary requirements of the dominion. We are not going to solve the problem of deficits, which unfortunately we have had with us in the past few years, by simply adding on taxation in an effort to make both ends meet the following year. Two years ago we were unfortunate enough, owing to various circumstances, to have a shortage of $94,500,000. We tried to meet that deficit by extra taxation, with the result that the following year we were $119,000,000 short. We are not therefore going to solve the problem this year, if we find ourselves short again, by simply adding to taxation. It costs between $365,000,000, which is the figure for this year, and something like $400,000,000, to run the business of the country, and it has often seemed to me very strange that we should do this enormous amount of business through private institutions, as we have done through the private corporations known as banks. There are various purposes for which we have to obtain money—uncontrolled expenditures, administration and public works, and so on—and the only way we have of getting the money is by taxation, by borrowing, or in other words mortgaging the future of the country, or by issuing money. Unfortunately, and I say this advisedly, we have issued far too little, with the result that we have steadily added to the debt through unnecessary borrowing.

This year we are going to pay in interest no less than $4,800,000 more than we did a year ago on the national debt alone. At the same time we find ourselves with an extraordinary unemployment problem, in round figures 700,000 to-day. I cannot help thinking that the views expressed by the London Chamber of Commerce would, with the slight change of one word, suit our situation exactly We should aim to restore and expand the purchasing power of the people of Canada, without which unemployment must remain and defaults, national and individual, must increase. I quote:

> When once a fair price level has been restored, to eliminate, so far as may be practicable, fluctuations in price level due to monetary causes.
>
> To remove the causes which are inducing nations to strangle world trade by tariffs, quotas, exchange restrictions, et cetera.

We have heard to-night a good deal with regard to the advisability of starting a central bank. This apparently is becoming a more popular topic as time passes, and I think that the public will eventually demand a central

bank, just as it demanded the government inspection of banks. Needless to say, the banks will oppose it, even as they opposed government inspection. They finally accepted the government inspection of banks after we had the disastrous failure of the Home Bank a few years ago. Public opinion then was sufficiently organized to make the government realize the necessity for that legislation. Naturally a central bank is not wanted because at the present time, without one, the banks have enormous power and can also make considerable profits. With a central bank that power would be largely taken away from them and needless to say they would not make as big profits because the government would do its own banking. We can readily understand therefore why, as private institutions, they oppose a central bank of rediscount. When we get a central bank however we do not want to have it as a bankers' bank but as a real state bank to do government business. Looking back to 1930, I notice the amount of loans the banks made at that time according to the Canada Year Book, if you allow seven per cent on the total amount of loans made, they would have made a profit in interest equal to their paid-up capital.

I want to say a few words now with regard to the departure from the gold basis. The public are beginning to realize that, as has been pointed out by Mr. McGeer, K.C., of British Columbia, supported by Professor Plumptre, gold is a myth and has been for quite a long time, and has a value only for those people who do not understand it and therefore think that some value does attach to it. They do not appreciate the fact that if all the gold in the world sank to the bottom of the Atlantic the world would go on just the same. It would be simply a matter of a few cables the day after the ship had sunk, and we should not be much worse off.

In 1932 the gold held in Canada was $143,500,000, and notes and legals amounted to $315,500,000, while the deposits were equal to nearly $2,000,000,000. These figures alone show the absurdity of the belief that people can get gold if they want it, in anything but a very minor quantity.

I have often felt that the public were misled by the fact that so much stress is placed on the working of the Dominion Notes Act, because although under that act we allow ourselves to issue $50,000,000 of notes with a 25 per cent backing of gold, holding dollar for dollar of gold behind further issue of notes. But we undermine that act entirely when we begin to use the Finance Act, because under the Finance Act the banks are allowed to take various securities to the treasury board and by placing that security as collateral with the treasury board to get dominion notes on a safe margin, although no gold is necessary in this case.

During the last eighteen years the banks have obtained from the treasury board no less than a little over $4,000,000,000 in this way. The rate varies. It has been down to as low as three per cent, and therefore the more we use the Finance Act in this respect the less percentage of gold have we behind Dominion notes. I mention this not because I think it necessary to have gold behind dominion notes but simply to show how foolish it is to stress the Dominion Notes Act while at the same time we bring the Finance Act into operation.

Banking to-day—and if we have the investigation this should be kept in view—is a bookkeeping system. Altogether too much emphasis is laid on coin and notes that are issued. We are all aware that money is a bookkeeping system, that new money is written into existence through loans and the buying of securities, and written out of existence by cancellations and the selling of securities. I have often wondered what was the value of the central gold reserve. If we have an investigation this matter should be looked into. Anyone who watches what is in the central gold reserve from time to time will find that there is often far more paper money in the way of dominion notes than there is gold. However, that was not the case upon November 16, for which date I have the figures, when there was a little over $11,000,000 in gold and $10,300,000 in dominion notes. One who has not followed this subject might ask how the dominion notes got in there. The explanation is that when the banks take various securities to the treasury board and obtain dominion notes under the provisions of the Finance Act, they can put those notes out to the public or they can take them to the central gold reserve, leave them there in lieu of gold and issue their own notes or promises to pay against the dominion notes. As long as the bankers have the free use of the Finance Act, apparently they are not worrying about using the central gold reserve in this manner. I remember having an interesting conversation in 1923 with Mr. McLeod one time president of the Bank of Nova Scotia. Apparently he had had a good deal to do with starting the central gold reserve and it was his intention that only gold should be placed there against which the banks could issue extra notes from time to time. He was quite worried and irritated at the way the reserve was being used and he said to me:

"It is not a central gold reserve any longer; it is nothing more or less than a gilded reserve."

In looking at the present crisis we have to recognize the fact that our problem is distinctly a money one. It is not a matter, as has been stated so many times upon the floor of this house during the past two or three weeks, of making goods or giving services. Unfortunately we have more than we can distribute of both. There are two reasons why we cannot distribute. The first is the inequality of income—some have more than they can spend and many others have not enough to spend—and, second, there is not sufficient of the medium of exchange to enable business to carry on. Our railroads are in a very unfortunate position to-day, but rather than bonus them or increase freight rates we should provide traffic. Traffic will be provided just as soon as the people have a purchasing power wherewith they can trade with each other.

As I mentioned at the beginning of my remarks, very little use has been made of the third method of making money, that of direct issue. It was used in 1914 to the extent of $26,000,000, and when the Prime Minister (Mr. Bennett) decided in 1930 to vote some $20,000,000 to help out the unemployment situation, it was suggested that a similar thing be done. Unfortunately it was not done. We took $20,000,000 out of the state purse; we taxed the people that amount on the one hand to give to the unemployed on the other. What we needed at that time, as we need to-day, was not a transfer of money but rather more money. A few months ago we borrowed some $35,000,000 from the banks and issued dominion notes to them to an equal amount, losing $700,000 on the transaction in the course of two years. It is such things as these which should be looked into very carefully.

A suggestion was made behind me this afternoon with regard to bimetalism. Personally, I am not very much enamoured with bimetalism, but I am willing that the whole matter should be gone into by the banking and commerce committee. I am glad to have the opportunity of saying a few words in support of this resolution. I think it is a good one and I believe considerable benefit would be derived from a complete investigation.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to make a few observations in connection with the resolution moved by the hon. member for Wetaskiwin (Mr. Irvine). This resolution is in four parts, the first asking that the banking and commerce committee be instructed to study the Bank Act preparatory to its decennial revision. It seems to me that that portion of the resolution is far too vague and nebulous; it really means going over every single clause in the Bank Act without any special instructions being given in any particular direction. The next three parts of the resolutions are definite in their terms; they ask that the committee report on the advisability of final departure from the gold basis—the matter under discussion this evening; the issuing of dominion notes sufficient to depreciate our dollar to the level of the pound sterling—which matter, I understand has been ruled out of order—and ways and means of reducing the internal debt so greatly increased by deflation.

At the outset let me say I regret that the right hon. the Prime Minister (Mr. Bennett) saw fit this afternoon to raise a point of order in regard to this resolution, referring to the amendment moved in the early part of this session by the hon. member for Macleod (Mr. Coote). I submit that that amendment was entirely different from the resolution we are now discussing, which refers to a specific matter, the issuing of dominion notes sufficient to depreciate our dollar to the level of the pound sterling. The hon. member's amendment was to the motion for approval of the trade agreement between Canada and Great Britain and sought to add the following words:

—and subject also to establishment of parity of the Canadian dollar with the British pound.

This afternoon the right hon. gentleman suggested that certain observations had been made by hon. members on this side of the house during the debate in connection with the amendment moved by the hon. member for Macleod. Upon looking up Hansard of November 2, 1932, I found that the only observation made specifically in connection with the amendment was made by a member of the government, the Minister of Trade and Commerce (Mr. Stevens). The minister went out of his way to commend not only the hon. member but the purport and nature of his amendment. I should like to quote from his remarks as follows:

On the other hand, I could cite a number of addresses that have been exceedingly helpful, exceedingly instructive, and I might say to the hon. gentleman who has just taken his seat (Mr. Coote) that in the main his own address was, in my opinion, a reasonable and valuable contribution to the study of the problem.

And again in the same debate:

I think we should first dispose of this motion,—

The motion to implement an Imperial conference agreement—

—which merely gives the house the opportunity to proceed with the study of the agreements in

detail, and then the proposal of my hon. friend could very properly be considered as a major problem in itself.

With all due respect to the right hon. gentleman I suggest that all that part (b) of this resolution asks is that this house study the question as a major problem. The minister then continued:

Speaking for myself alone, I can assure him that I am prepared to give this matter the most careful consideration and study. I am anxious to cooperate with any hon. member in the study and possible achievement of a solution of this problem.

Nothing was said on this side of the house until the vote was taken later on the same day. We have a somewhat anomalous situation; on the second of November, a member of the government tells the hon. member for Macleod that he welcomes a study of this major problem of placing our dollar upon a parity with the pound sterling, yet to-day when an hon. member to my left seeks to have the banking and commerce committee do the same thing, he is met with a point of order.

Mr. BENNETT: I think the hon. gentleman has misunderstood things. We have voted already upon the matter this session and I raised the point of order in order to prevent duplication. Otherwise there would be no end to the discussion in this house.

Mr. MACKENZIE (Vancouver): My point is that we have not. Unfortunately, this afternoon I was not allowed to give my views on the point of order. On November 2 the hon. member for Macleod moved an amendment to the motion of the Prime Minister that the Imperial conference agreements be implemented. The words, as I recall them, were "subject to the establishment of a parity with the pound." This clause (b) of this resolution is something quite different.

Mr. DEPUTY SPEAKER: I do not know whether the hon. member is quite in order in discussing the ruling of the Chair.

Mr. MACKENZIE (Vancouver): I am not quarrelling with the ruling. I am just explaining why I was not allowed to establish my point of order. Clause (b) reads:

The issuing dominion notes sufficient to depreciate our dollar to the level of the pound sterling.

In other words, clause (b) is specific. The other was only generic in the conclusion which the hon. member for Macleod sought to establish—parity with the pound. I maintain that clause (b) of the present resolution and the amendment of November 2 are entirely different.

[Mr. I. Mackenzie.]

Might I deal for just two or three minutes with the resolution before the house? It asks the banking and commerce committee practically to deal with the financial structure of the Dominion of Canada. As far as I have been able to analyze modern economic thought in this and other countries, there are at the present time two main schools—and we have them possibly in every party in the house—dealing with the fundamental causes of the present crisis. There is the school which was termed by Edie in his great book Banking and Prosperity, the school of the industrial equilibrists; that is the school which thinks tariffs are at the root of everything with regard to trade. There is, on the other hand, the monetary school of thought, which is very prevalent at the present time and gaining in strength, that believes the present economic crisis is primarily a monetary one. My opinion, for all it may be worth, is that these two schools are not irreconcilable; you can dovetail the economic thought of the school of industrial equilibrium into the economic thought of the school of monetary reform. It is an economic axiom that the value of your dollar must in the final analysis depend on trade, but when your trade is locked and stifled and is not allowed, on account of the economic policies and narrow nationalism pursued by the various nations, to ride free, you can do much by way of monetary solution to override the difficulty inherent in the trade policies at present being pursued.

In this evening's paper I saw an announcement made by the Prime Minister of Great Britain, wherein he suggested the program for the pending conference in Washington between the government of the United States and the government of Great Britain, and dealt with six major problems. Four of the six, as I recall them, dealt with the monetary structure of the empire and of the United States, so that when the Prime Minister of Great Britain outlines the problems that are to be studied—and I think the agenda is the same as that which is to be studied at the world economic conference—we should have very soon a pronouncement of policy from the administration in regard to what submissions the Prime Minister is going to make on behalf of Canada before the world economic conference in May.

What happened at the imperial conference? We had great hope of what Canada might do and say but—and I do not think I am saying anything radically wrong in suggesting this—the monetary policy of this dominion was made subservient to the British Chancellor of the Exchequer, because the final report of the committee is practically

an acceptance of the main submissions of the chancellor. Let me suggest this to my right hon. friend: Although the main economic doctrine of the mother country may, so far as the main economic principles are concerned, apply to Canada, the economy of Great Britain is in radical ways different from that of Canada, because Great Britain for years and years has been in control of the international market. What is the situation in this country? I am not blaming any government particularly for this, but we are to-day financially economic vassals of the great republic to the south of us. The tragedy of the situation, as I see it, is that various governments, according to their own well considered policies and doctrines, have been trying to orient the trade of Canada—and I am not criticizing them for that—to the empire and to Great Britain. Yet, when they try to tie our financial policy to that of England and the empire, our greatest critic is the Prime Minister who would like to be termed the foremost champion of imperial preference and trade. For one, I am convinced that you cannot separate financial policy from trade policy; that is, the policy in regard to our external trade from that in regard to our international obligations. Recently we have been considering the crushing debt which we owe to the republic to the south of us. The Prime Minister has throughout the country been making speeches—and I am not criticizing him for that; I am only stating facts—in which he has been saying to the people of Canada: "We have honoured all our maturing obligations in gold." Is that exactly true?

Mr. BENNETT: I said, in terms of the contract.

Mr. MACKENZIE (Vancouver): In terms of the contract. That must be nearer the truth, because the terms of the contract actually call upon the nation which is to honour the contract to meet its payments in gold or pay them in services or go through a process of refunding, so that Canada has not and cannot meet her maturing obligations in gold. How could we do so with our gold production last year amounting to only $73,000,000, and with our tremendous debts payable in gold by our federal government, our provincial governments, the Canadian National Railways and public corporations? I find that our gold coverage last Thursday was 39·3 per cent, or roughly $70,000,000 for a note issue of $180,000,000. Where is your sound money? This reminds me of the Latin phrase, Vox et praeterea nil, or "sound and nothing more." Where is the sound money when I produce my dollar bill for which I am entitled to get payment in gold? Where was our sound money when Calgary, the right hon. gentleman's constituency, asked for gold for her good Canadian notes? Could Calgary obtain Canadian gold? We have no sound money according to the tenets of the right hon. gentleman.

Last year he made a very fine statement. He said that we have roughly $50,000,000 guaranteed by a partial coverage of 25 per cent in gold, $49,000,000 protected dollar for dollar in gold and the rest, $71,000,000, I think it was then—I am not sure of the exact figures now—covered, as he said, by the security, character and integrity, of what? Of the Canadian people. I refer my right hon. friend to the finest economic report ever made in any country, the famous Macmillan report of two years ago. The right hon. gentleman has the pleasure of being very well acquainted with the brilliant and distinguished chairman of that committee. Sir Josiah Stamp said in regard to it that a committee of such brilliance, ability and distinction never before functioned in any land. What was the finding of that committee in regard to this great question of gold coverage? One of the specific findings of the Macmillan committee, implementing the findings of the gold committee of the League of Nations, was that a gold basis was no longer required for internal currency. That is not the fly-by-night theory of my hon. friends to my left or the radical opinion of some of us who sit on this side; it is the well-founded opinion of my right hon. friend's own brilliant economic friends in Great Britain, that you must dissociate once and for all your domestic currency from your external obligations. What does that mean? If the right hon. gentleman told us here, as he did in April of last year, that outside that $99,000,000 the consideration was the security of the Canadian nation, and if the Macmillan committee said that you can have a safe note issue amounting to one-fifth of your total bank deposits, what does that mean? If your economic policy in Canada is sound, it means, according to the scientifically economic analysis at which that committee arrived, we could have on the same basis of the security and integrity of the Canadian people, a note issue in this country of one-fifth of our total bank deposits, or one-fifth of $2,000,000,000, as of last year, or $400,000,000. It would mean $200,000,000 more than the $180,000,000 which you had according to the return which I got from the Minister of Finance yesterday. That is not printing money. That is simply arriving at a careful policy of a managed currency, on a scientific basis, as promulgated

by the ablest economic committee that ever sat in modern history. We cannot be blamed if we see some merits in a careful policy such as that.

I do not like the word inflation. I think it is a dangerous word, and inflation a dangerous policy. But what have we had in Canada during the last few years? Under the craziest financial structure in modern history, through the Finance Act, we have had inflation in this country under the Conservatives from 1914 onwards, and during the Liberal regime from 1921 to 1929. We have had a modified policy of inflation during the last three years, under the terms of the Finance Act, and at the same time, strange to say, we had the biggest deflation in the history of Canada, caused by what has been mentioned by some of the speakers here to-day—the contraction of credits by the banks of this dominion.

That brings me to the point I wish particularly to emphasize to-night. Any policy in regard to currency, any policy in regard to credit control, must be built around a new central organization which is going to regulate the whole policy of banking in this dominion. I do not think any party should go unduly to the left or be unduly Conservative in financial policy. I believe there is as much danger in uncontrolled inflation as in adhering to this fictitious policy of sound money which the Prime Minister and his government consistently advocate. The safe and sound and sensible policy is to take the middle way, to establish a central organization of experts enjoying the confidence of the government and of the Canadian people; because the day has gone by in Canada when the people will tolerate a condition under which the ordinary mercantile functions of Canadian banks shall be associated with the policy of banking credit and financial control which the banks now possess. The control of credit must be taken away from the banking institutions of Canada. When I say that, although I have the greatest admiration for the record of our Canadian banks, I would ask, why should they not have a wonderful record and be marvellously secure? There are only nine or ten of them now where formerly there were twenty-five, and they enjoy the biggest financial monopoly in the history of modern civilization, with the entire credit of the dominion treasury behind their every move. So why should they not have done well?

My right hon. friend, dealing in Toronto with this question of bringing the dollar on a parity with the pound, asked how it could be done? He knows quite well how it could be done. It has not been difficult for other nations to do—

Mr. BENNETT: Unless they were insolvent or short of currency.

Mr. MACKENZIE (Vancouver): The Prime Minister said that there was no need to go on a parity with the pound unless you were insolvent or short of currency. Neither one nor the other obtains in Canada, he said. I am not so sure. I fear much, and I hesitate to say this, that within the next few months the right hon. gentleman will hear from some of the western provinces which may have to ask for very generous terms in order to meet their obligations, or else be faced with defaulting on their bonds. We cannot afford to pay, and we cannot pay, our present debt and our present interest charges in the Dominion of Canada, and the sooner we wake up to the facts of the situation the better for us. Our interest on the national debt was $12,000,000 before the war. It was $135,000,000 last year, and this year it is $137,500,000. There are two and a half billions of national loans, including funded debt, railways and other operations, $7,582,000,000 of obligations, of bonds payable in gold, and the entire amount of gold in the different countries of the world amounts to between $11,000,000,000 and $12,000,000,000.

Mr. SPEAKMAN: We owe over eight billion dollars in bonds.

Mr. MACKENZIE (Vancouver): I accept the correction of my hon. friend. Perhaps the other figure included private corporations. The total gold supply in the world is between eleven and twelve billion dollars, and how can we possibly meet our maturing obligations in gold? It cannot be done. The greatest necessity before parliament is to meet the situation of our public debt and our private debt with courage and vision. The Australian people met the situation last year, and we must do it. We must write down our debt.

I advocate a big conversion loan in this dominion. We must summon up the courage and the patriotism of the Canadian people, and I would also advocate that earnest consideration be given to modifying our financial policy by the issue of dominion currency. It was done during the war. Why not do it now in the war against poverty, misery and unemployment which we are waging to-day? The security of this dominion is as good as ever it was.

I also suggest that we commence a wholesale cut in interest rates, commencing with savings bank deposits, and have a cut right

across in the interest rates charged by mortgage, trust and loan companies. Let us have a debt and interest readjustment upon the principle of equalization of sacrifice throughout the dominion. The farmers have already practically sacrificed their all. Almost all the lumber companies in my province are on the verge of bankruptcy. The producer has paid his price. Why not let the moneyholder now come under the principle of equalization of sacrifice in this great crisis?

So I appeal to my right hon. friend to be good enough some day in the near future to enunciate to this house the policy he intends to present to the world economic conference on behalf of Canada. I suggest to him that he give most careful consideration to the advisability of a great national conversion loan, a voluntary loan by preference, but compulsory, if that is necessary. It was compulsory in Australia to the extent of seventeen and a half million pounds. The remarkable thing about the situation in Australia was this. The Minister of Finance (Mr. Rhodes) told us the other evening that the financial situation in Australia was much worse than in Canada, but here is the record of Australia. Out of a total of 556 million pounds, there was converted immediately by application 490 million pounds; by effluxion of time 48½ million pounds, leaving only 17½ million pounds to be converted compulsorily. The compulsory element is to be regretted if it can be done voluntarily. The point I am trying to impress upon the house as forcibly as I can is that in my humble judgment we cannot meet our present indebtedness, federal, provincial and municipal, unless we summon up the entire strength and resources of the Canadian people. It is no use talking of a policy of sound money so long as I cannot get gold for my dollar when I present it to the bank. Suspend, if you like, the redemption of dominion notes in gold.

The question has been asked, how can we establish parity with the pound? It can be done in two ways. It can be done by giving up the policy of unnecessarily buttressing the Canadian dollar to keep it as close to the American dollar as possible, which has been followed by this administration for the last two and a half years.

Mr. BENNETT: We have not done any such thing.

Mr. MACKENZIE (Vancouver): It has been done either deliberately or as a result of the financial policy of this government. That has been the result in any event. If that is not successful, follow out the scientific analysis of the Macmillan committee in England, and go in for a policy of a managed currency, which is the distinct and deliberate policy recommended by that committee to the British government. Have the British people suffered from abandoning the gold standard? They may be asked as the price of an international debt settlement to consider returning to the gold standard, but I venture to suggest that such a return will not be considered by the British nation for many, many years to come because, after all the juggling by international financiers, as is so well described by Einzig in his various books, and which continued from 1922 to 1931, Britain has an acute and painful knowledge of what happened in the realms of international finance. She has survived the shock and is to-day on the upgrade, and I believe she will be the first country to emerge from the present depression. Why? Because her economic advisers have told her that the present economic crisis is primarily a monetary crisis. I tell my friends who believe that tariffs are the only panacea for all the woes of the present economic upheaval, you must have the two factors working hand in hand; you must readjust your financial structure and recast the powers of the banks, give them full scope in ordinary mercantile pursuits to follow in security and integrity the banking practices they have so well developed, but take from them, once and for all, the control of credit and currency in the Dominion of Canada and the power over the note issue. We are living in changing times. I am sure if my right hon. friend would give up his attachment to the fallacy and fiction of "sound money" and deal immediately and fearlessly with the tremendous problem of meeting our debt and interest obligations, he would have the grateful regard of the Canadian people.

Mr. BENNETT: I do not rise to proceed with the debate. The Minister of Finance is prepared to deal with this resolution, but he is indisposed. If when the motion is again called he is not in his seat I shall take his place and make a statement. In the meantime, in order to preserve that situation, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

## UNEMPLOYMENT AND FARM RELIEF

### PROPOSED USE OF SURPLUS WHEAT FOR RELIEF—SALE ON LONG TERM CREDITS TO DISTRESSED COUNTRIES

Hon. W. R. MOTHERWELL (Melville) moved:

Whereas unemployment, scanty clothing and hunger throughout the land continue to be all too prevalent; and

Whereas, this persistent economic depression not only adds to the growing relief requirements in many centres, but also subtracts from the number of voluntary contributors, many of whom are now feeling these social efforts growing more and more beyond their capacity to carry;

Therefore, be it resolved, that, in the opinion of this parliament the government of Canada should place a sufficient quantity of our surplus wheat stocks, at the disposal of the Red Cross, welfare bureaus and other similar organizations, to supplement and more fully take care of the food requirements of the unemployed, the poor and the hungry throughout Canada.

And be it further resolved, that the government of Canada take such steps as are necessary and expedient to explore the possibility and practicability of selling on long term credits a substantial quantity of our embarassing wheat carry-over to China, or any other available country where poverty, hunger and misery prevail.

He said: I think this motion is quite capable of being understood, and there is nothing original about it. It has the advantage of having been tried in our neighbouring republic and found quite satisfactory, and no reason occurs to me why it may not prove equally satisfactory in Canada, with such variations as may be found necessary to suit our peculiar requirements. I suppose there is not an hon. member in this house who during the last two or three years has not been confronted with this question: How do you account for it that in this land of plenty people are in want and going to bed hungry? I used to be somewhat provoked at that question myself. Last summer when I was in the elevator in our town I found a farmer expatiating very vigorously on this situation, taking the ground that someone was to blame for it, though he did not mention who that somebody was. He enunciated the doctrine we hear so frequently, that the difficulty is not in production but in distribution. I made a proposal to my brother farmer: How would it be if you and I should start out on this new method of distribution? The next load of wheat we bring to town suppose we start distributing it among the villagers, some of whom are bound to be hard up this coming winter. About twenty-five bushels would feed a family of five; one load of seventy-five bushels would take care of three families. You try that out with your next load, and I will do the same with mine, and see how it works. "Oh," he said, "I cannot afford to do that." "Well," I said, "that is about the way with me; the cheaper wheat is the more I have to sell to get a bit of money."

That is true of the individual, but it seems to me there are certain further duties that devolve upon the national government. I know its burdens are heavy; our provinces and some of our municipalities are also near the end of their tether. The Dominion government has done remarkable work in the way of relief, first in one form, then another, and now in direct relief. So have the provinces and the municipalities.

In the United States they had accumulated a large surplus of wheat through the federal farm board and the stabilization committee. They carried that load openly, everyone knew about it, and finally it became such a tremendous burden that they gave a lot of it away to get rid of it, distributed a large quantity through the Red Cross and similar organizations and sold some on long term credits to Germany, China and other countries. I think it is practically all gone now, so one of the great burdens on the market has been removed, although without appreciable effect as yet upon the price. However, if we follow suit and some other country does the same, eventually we shall get this great burden of carry-over wheat removed, without which we cannot have a restoration of prices. What better purpose can we put it to than to help out people less fortunate than ourselves? The burden is weighing very heavily on the voluntary givers. In this city, in which surely you will not find a larger percentage of out-of-works than elsewhere, over $130,000 was contributed last fall to take care of the poor and hungry, and so all over the country. Wherever I have been I find there are getting to be more and more to feed and clothe and less and less people able to provide for them; therefore the burden is getting heavier on both individuals and governments. Well, it occurred to me, why could not we follow the example of the United States in the distribution of this surplus wheat?—seeing we have followed their example in acquiring it, in a laudable desire to hold up the market. Possibly that object was attained to some extent, but the fact is that wheat was grown in such volume that it has become an embarrassment to every country that carries it; it hangs like a millstone around our market's neck.

However, the amount distributed to organizations such as the Red Cross and welfare bureaus and relief organizations would be comparatively small. We have ten million people in Canada; say there are one million on relief—there are not now, but possibly there will be in a year—it would only take about five million bushels to provide them with all the bread they require. It would relieve the local authorities, however, to that extent. That has been done in the United

States and found satisfactory and I see no reason why it should not prove satisfactory in Canada.

Then a further proposition is to sell or barter to countries that are less fortunate than ourselves substantial quantities. That will appreciably reduce our carry-over and tend to bring the price back to normal. I mentioned China in the resolution, but it need not be confined to China; why not India—they sometimes have famines. I understand that in northeast China 25,000 people were flooded out over a year ago and are largely on relief.

The objection has been taken that farmers in other countries where we sell this wheat would complain that we are flooding them with cheap wheat. I think that should be avoided as much as possible; it might be sold in such parts of China as are on relief as a result of that great flood. The same applies to India. And what would be the objection to selling some to Russia? We have been selling some through the regular channels of trade. A year ago there were substantial shipments from the Pacific coast to Russia. No objection was made to that, and I do not think there would be to this. Russia is reported to be short of wheat not only for bread purposes but for seed. I do not think it would be good policy to sell wheat on long terms to Russia for seed to compete against ourselves; that might seem too much like turning the other cheek, nevertheless, if they are short of wheat for flour or flour itself to feed the people why should we not supply it either on barter or on long term credits? Do you not think we would be more likely to make a friend of Russia? I take the ground, Mr. Speaker, that we cannot solve this problem of wheat without the co-operation of that country. We cannot do very much in the way of reducing acreage or following any other systematic plan designed to reduce production to something like the consumption requirements of the world unless Russia is a party to the arrangement. Without raising that controversial question of putting an embargo on some of the products of that country, do you not think Russia would pull better with Canada if we in a friendly way cooperated with her for a change, instead of continuing our present policy?

Mr. BENNETT: Who broke the world wheat market?

Mr. MOTHERWELL: I never knew Russia to break it as much as we did ourselves or to sell wheat as cheaply as we did. Let me answer further my right hon. friend: Every country in the world making a sale of wheat to-day has to do a measure of dumping; it has to beat out the other fellow in regard to both price and quality. You have to make a market by selling quality at a price the buyer cannot resist; in other words it is a buyers' market to-day with all that that implies. Russia may have done that at one time; I do not doubt but what she did, but we have done it since. That is the unfortunate part of the whole situation.

Let me enumerate some of the advantages of compliance with this motion. At least it will be a humanitarian way of disposing of our surplus. We should not destroy our wheat, as some countries are said to have destroyed their overages; I would utterly oppose anything of that kind. If it is axiomatic that this surplus must be substantially reduced before there can be any restoration of prices to anything like normal, surely there must be some way by which we can get rid of our wheat. For the sake of argument, Mr. Speaker, I will admit that if present prospects materialize there is a chance that we may reduce this overage somewhat by next fall. The United States crop seems to be very indifferent, and Russia is in the same position. The Argentine and Australia probably will get rid of their carryovers by next fall, or hope to, but I do not think that will apply to us. Probably we will have the largest surplus we have ever had, though some people estimate otherwise. Perhaps I am not sufficiently optimistic; competent men have stated during the last two or three years that soon we would see a better day with regard to wheat prices. Well, they have been getting better the wrong way; they have been getting no better fast. We have reached the point now where we are giving away five bushels of No. 1 wheat for a dollar, and it is time we thought seriously about this huge carry-over. The whole trouble with our calculations in this regard is that just when we think Russia will cease to export wheat because of her home requirements, she starts to export; she becomes an exporter of wheat when it is well known that later in the same year she will have to import wheat.

Mr. BENNETT: While the population dies of starvation.

Mr. MOTHERWELL: Yes, that is right, but she is forced to adopt that course. That puts all our figuring astray, and I have no doubt that some other unexpected contingencies would appear in other countries as well, as they so often do.

The first advantage of this method, then, is that this will be a humane way of disposing of our surplus, and incidentally we may make

a friend of such country upon whom we may be glad to call some day for a market. These countries needing wheat at intervals are the countries with immense populations and an immense capacity for consumption. When they get stable governments, as I hope they will some day soon, they will become great consumers of our products. In the meantime let us cast our bread upon the waters, and in a few years it may return unto us in the form of valuable markets.

In the second place, this method will remove the reproach—which I feel quite as much as though I were a member of the government—that all the public men in the country cannot find some way to answer this everlasting question of why distribution is not more perfect when production is so wonderful. If this house will adopt this proposal we can remove in some measure at least that reproach. I am not wedded to this particular method; anything better will suit me, but let us do something that will reduce our carry-over and at the same time help meet our increasing requirements with respect to relief all over this dominion This plan will create a market for several million bushels of wheat; it will lessen the embarrassing carry-over; it will supply the railways with additional business. That is perhaps a small item, but it is of importance. In addition, this will lessen the demand on voluntary contributions.

Those are the advantages I see in this method, Mr. Speaker. Now let us look at some of the disadvantages. In the first place, it will be abused, but unfortunately that is always the case. Every good thing like this is more or less abused. It does not matter whether it is relief or seed grain; I have never seen any government capable of carrying on anything of this kind so perfectly that some little abuse has not crept in. When you analyze those abuses, however, and compare them with the volume of business done, you see that they do not amount to very much after all. Recently we all have read in the press what has been going on in a certain town in this province. That sort of thing will happen, but are we to withhold help from the people in need because two or three localities may abuse that help? My experience, which covers many years, has been that you will always find abuses when anything is being given out by the government, and I suppose that always will be the case until we attain that high degree of civilization to which my friends to my left refer so often. We hope and believe that day will yet come, but it is not here yet.

Another objection is that whole wheat cannot be disposed of by some relief bureaus, nor flour either, as many relief applicants insist on ready baked bread. We are not committed to the distribution of whole wheat; it may be distributed in the form of flour, but whole wheat has certain advantages not possessed by flour. It is a healthful food and can be converted into a larger variety of cooked foods. Again, I was met with the argument that in many districts the people buy their bread and do not know how to bake it, so that neither whole wheat nor ordinary flour would be of use to them. I am afraid that is true, but I think it is about time people learned how to bake bread and many other household requirements all over again. To-day I inquired at the old Knox church, which is now used as the administrative centre of the relief bureau in this city, and which was thronged with people applying for their orders for supplies. I found that the National Council of Women and other similar organizations have started instruction classes designed to help those who wanted to learn how to bake bread and do other kinds of cooking. The practice of buying bread and of purchasing other foods in small cartons and cans became general because people could afford to do so, and many of the old practices of home cooking have almost disappeared. I think this is a time to revive many home duties similar to what we did during the war. We should start as many of these old practices as possible, giving the people a new zest in life and affording them some employment as well. Let them make their own bread. If the women have so many children that they have no time to bake, then let the old man learn how to do it. He has so much time on his hands now that he can tell the government and everyone else how to run things. Well, let him get busy and learn how to make bread. Many of us in our bachelor days made bread out in the west, and what man has done man can do.

Another objection made is that people are not familiar with the uses to which whole wheat can be put. During the war the government distributed many leaflets and publications showing the various uses to which certain foodstuffs could be put; they pointed out a variety of dishes that could be made from rhubarb, for instance, and fish. The same could be done with respect to this commodity. You can make muffins or porridge or coffee and many other commodities that would be very healthful.

Another objection sometimes heard is that it would interfere with the volume of business done by local bakers. That is a real objection, because the bakers are doing this business now; but it seems to me that the interests

of the many will have to be regarded as paramount and will have to take precedence over interests of the few. I do not think the bakers would object very much. They have a pretty good business, I fancy, and if they lost this business knowing that it was for the benefit of the many I do not think they would object strenuously. I am trying to discover all the objections that can be advanced and to weigh the advantages against the disadvantages.

A gentleman in the west who held the position of trade representative in China drew my attention to the fact that the Chinese papers within the last six months or year have been complaining on behalf of the farmers of China that that country was being made a dumping ground for American and Canadian wheat at such low prices that their own farmers were being injured.

Mr. BENNETT: And Australia principally.

Mr. MOTHERWELL: Yes. I suppose there is something in it, but it is one of those things we seldom think about. We look on China as a far distant country in which half the people, as I am informed, scarcely know where the next meal is coming from. Nevertheless they have enough farmers to grow more wheat annually than Canada does, and they are wondering just how far the wheat growing world will go in its effort to make a dumping ground of China. As I have indicated, however, there is no reason why this wheat could not be directed into those areas which are flooded out, and if China does not want it perhaps India could take it, or Russia might want it. So that that difficulty could be got over. You can always find difficulties if you look for them, but we should consider the advantages that accrue to any proposal such as this. We cannot disabuse our minds entirely of some selfish ideas, and naturally we want to help our own people first. The whole movement as I see it is primarily to get rid of this ghastly carry-over and to bring about normal conditions and favourable opportunities in regard to price and at the same time help others. After you have done that it will not be long before the farmers will be making a little money and the banks will again feel like making loans, because the people will be able to pay them back. Certainly you cannot pay a loan to the bank with wheat at 20 cents, which is the figure that prevailed in western Saskatchewan. I believe it is about 25 cents now. As soon as you pay a loan to the bank it creates a feeling of confidence, so that the banks will begin lending and the mortgage companies will not worry you until at least you are more on your feet. Business will start to move, credit will be restored and you will give the railways profitable business. Some of our wheat will not move under our present freight rates. We are not asking for any increased freight rate for export wheat but if it gets lower they will have to, because the wheat simply will not move into consumption.

As regards the destination of the wheat, I do not care where it goes to. I would not consign it to the place we speak of when in anger, but I object to its being wasted when there are hungry people at home or abroad.

A certain amount of propaganda has been indulged in, and properly so, on behalf of reduced acreage. Under the export quota basis, which will involve another system of oversight on the part of the three provinces that grow so much wheat, it will not be an easy matter to carry out. It depends on the cooperation of four or five other countries with ourselves. That always takes time, but this other matter of salesmanship is one between ourselves at home and the individual country with which we transact business. I hesitate at reducing acreage by deliberate arrangement until we first adopt the two methods I have mentioned, of feeding our own people bountifully, thus relieving the local people of some of their contributions, and also relieving the government of some of their embarrassing carry-overs. That should be done first, I think, before there is any systematic attempt to reduce acreage. As a matter of fact acreage will be reduced to some extent anyway this spring under the ruthless principle of the survival of the fittest. We have come to that stage where many farmers in the regional areas find that it just pays in a good year to grow grain but does not pay in a bad year. These areas are being closed to cultivation. They are left to grow grass and weeds and many farmers are unable under their own steam to put a crop in. Acreage reduction would have happened sooner had it not been for the large areas of newly settled land in northern Alberta and northern Saskatchewan and to a lesser extent in northern Manitoba, coming into development to take the place of the southern areas going out of cultivation.

The point I want to make is this, that until we do get rid of the overage by these or other means there will not be a very forceful argument for a systematic cooperative policy with other countries for reduction of acreage. I suppose we all have a little superstition in our make-up; I know I have. There is a superstition among farmers that if you go out and kill a litter of young pigs, on the ground that it does not pay to raise them, if you kill them

at birth, you will not have luck with your next litter. I do not know whether there is anything in that, but certainly I should not like to try the experiment of destroying the wheat overage. I would rather sell it on generous terms to anyone who would enable us to get it out of here so that it might do some good instead of a lot of harm to ourselves where it is now.

I hope I have couched my remarks in such language that neither the Prime Minister nor any other member will be offended. I could not help referring to Russia because it is I think the key to the whole situation, and I referred to it as mildly as I knew how. I have no doubt the government realizes, as we all do, that we are facing a serious situation in Canada, as well as the world over, and if I can contribute the smallest quota to help matters in the way I propose or otherwise I am satisfied. But even if you blot this out and give me something that looks better, I will put up both my hands for it. We are continually being faced with the odium—we get it in the press, from the pulpits and on the streets—that as legislators we do not know how to get this abundance of goods to those who need it most.

If the house were in committee of the whole I should be very glad to answer any questions, but I invite a full discussion on this matter. This stigma should be removed. Notwithstanding all the assistance which has been given, this great pyramid of carry-over wheat has grown until it is at the point of drowning us. Did you ever see, Mr. Speaker, a bunch of cats thrown into a stream with stones around their necks? Those stones were meant to act as sinkers, and they generally succeeded in sinking the cats. We have a buyers' market millstone around our necks just as effective, and it is dragging us as sellers down to the very depths.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I desire to congratulate the hon. gentleman (Mr. Motherwell) upon the very excellent address he has made, an address which reflects credit not only upon his humanity but upon his discernment. Nothing is more encouraging to those who at this time have to carry an unduly heavy load than to have those normally politically opposed offer suggestions as to how best the difficulties can be met. The fine spirit manifested by the hon. gentleman in his address is, I think, very satisfying and pleasing to all of us. He has had much experience; he has seen the growth and development of our country; he has seen a great territory which once produced an abundance of wealth become almost as desolate as the desert; he has seen people who had excellent homes—notwithstanding the statements made, not many of them according to the census returns were covered by mortgages; things were not as the advocates of blue ruin would have us understand—find those homes rendered almost valueless.



Last year when the federal government found that a very large part of the population of the province of Saskatchewan, a population which had been well-to-do, had had three successive years without a crop, we treated the matter as a national disaster, just as in times gone by we had voted money to assist in caring for those who suffered from disasters in the islands of the sea and in far distant foreign parts. We regarded it as a national disaster; and it may strike some hon. members as amazing that there was less said about this than would have been expected. The government has been very sparing with propaganda in dealing with this matter. It has not advertised what it has been endeavouring to do; it has been doing it without advertising. Over 300,000 people in the province of Saskatchewan were being cared for by the federal government during a part of last year. We were not desirous of publishing that to the world, but we were desirous of having this house know that in conformity with its unanimous opinion, its view so strongly expressed that a national disaster should be treated as such, we had set in motion the machinery which gave, shall I say, at least comfort, clothing, food and fuel to that population. It was a great achievement which reflected credit upon those responsible for the administration, and I am glad to know that the hon. gentleman has seen what has been done.

Assistance has been given in other provinces. One of the forms of assistance suggested last year was that we should purchase a quantity of wheat which would be milled to ensure plenty of flour being available for those who were in want. The hon. gentleman knows better than I do that a diet of boiled wheat is not one upon which humanity long lives; it brings about physical diseases and disasters which are apparent very quickly. The small mills in the communities in Saskatchewan felt that they could take care of the situation by grinding the wheat in a manner which would be satisfactory to the population that lived nearby. A large quantity of flour was purchased and distributed under conditions which I think have not been subject to criticism. This was distributed to the needy population of the western provinces, of Saskatchewan in particular.

The answer, therefore, to the first portion of the hon. gentleman's resolution is this:

All the wheat that was necessary, nay, more than could be used by the needy population and others in western Canada, has been supplied by the Canadian producer.

Mr. MOTHERWELL: I think the right hon. gentleman is right.

Mr. BENNETT: It follows therefore that it would not be possible to sell more wheat; the Red Cross or any other organization would not make a further distribution of wheat possible because wheat in the form of flour has been distributed so that every person has had plenty. It is quite true that in the United States the federal board did distribute, I think, 85,000,000 bushels of wheat through the Red Cross to be used for milling purposes and for distribution, but unfortunately, according to the last report, the farm board lost the huge sum of half a billion dollars. No person has received more than he could consume and no person here has received less. I submit that nothing that could be done in that direction would in any sense lessen the overages or the carry-over of wheat in this country at this time.

In so far as it is possible to give effect to the suggestions made by the hon. gentleman, I assure him that they had been given effect to before he made them; they had been acted upon by those charged with responsibility for relief. To a large extent the wheat has been milled at the local mills scattered throughout the province. My memory does not serve me as to the exact number of mills engaged in this work, but it is quite substantial. In the first place a contract was given to the large mills upon the ground that they would be able to discharge the obligation of distribution perhaps a little more readily than it otherwise could be done, but in other cases the local mills are taking care of the situation.

I fear that nothing that could be done in this direction would sell an additional bushel of wheat, would bring comfort where there is any lack of it, supply food where it is required; in other words, these things could not be done to a larger extent than is being done already. I say that because I desire again to pay tribute to the fine spirit which the hon. gentleman has manifested and the earnest effort which he has made to find some solution of what he regards as a pressing and difficult problem. But I assure him that the action which has been taken is such as to give effect to the very views which he has expressed.

Upon the second point I am bound to say that last year there came to me personally an offer—whether it was a bona fide offer or not, I cannot say—that we should arrange for the purchase of large quantities of wheat to be shipped to China, and the price proposed was twenty-nine cents at Vancouver. We did not seriously entertain the proposal; for, if long credits are to be granted, obviously they would be better granted to those who are not engaged in war. That, at least, is the thought we had in our minds. In addition to that, if long credits are to be granted, they should not be granted on terms fixing the price of the commodity at the figure I have indicated. Therefore, so far as China is concerned, we did not make any sale, for the government of Canada has no wheat to sell. It has no farm board that is the owner of wheat to be disposed of in any part of the world. All it could do would be to provide the means whereby the wheat could be purchased from the Canadian cooperative wheat sellers; for they and they only have any large quantities of wheat representing the carry-over to which the hon. gentleman referred.

Other communities made proposals to those who had wheat to sell. In some cases, at least so I am informed, they proposed to purchase wheat on long term credits and in some instances reasonable credits were given. But I was very glad to hear the hon. gentleman say that in the name of humanity it was not to be expected that we would supply seed grain to Russia on long term credits to enable her to destroy the price of wheat in the future as she had done in the past. That would probably be agreed upon by everyone. The hon. gentleman, who perhaps has followed this matter with much greater interest than any other hon. member, said at once that necessity compelled the offering of wheat by Russia at a price which constituted dumping. I have already told the house of my own knowledge of what took place some years ago in connection with the price of wheat. Whatever else may be alleged by those who desire to support a position, this must be admitted, that the attitude taken by the soviets in the disposition of wheat was responsible for the primary break in price. From that there can be no escape; it is a matter of common knowledge. It can be ascertained as accurately as one can ascertain anything the correctness of which he desires to demonstrate. It is true, as the hon. gentleman has said, that as a result of that action Canadian wheat prices suffered, because Canadians offered wheat at similar or lower prices. Necessity, the law of supply and demand, fixed again the price, but when you have a commodity offered for sale without regard to

the cost of production and competitors endeavouring to sell the same article, they must accept the market price that is established by those who, as I have stated, sell without regard to the cost of production. That, unfortunately, is true throughout.

Just let me mention three commodities in regard to which that has happened in this country—wheat, timber, fish. When I heard the hon. member for Vancouver Centre (Mr. Mackenzie) this evening in his admirable address, make reference to the bankrupt condition of the timber operators of British Columbia, my mind at once reverted to that contract which was offered a few weeks ago in Great Britain, whereby it was provided that, whatever fall in price may come about, Russia will go still further and thereby, regardless of competition as such, regardless of the cost of production as such, destroy the possibility of a market being made in Great Britain for British Columbia timber.

As regards fish, there are within sound of my voice hon. gentlemen who are thoroughly familiar with the situation. When the hon. gentleman added a rider to his suggestion with respect to the sale of Russian wheat, I thought he was taking a correct course, if he would pardon me for saying so and not understand me as commending his remarks to the attention of the house. The position is this: There has been overproduction of wheat in the world. If I were inclined to do so I think I could explain to the house the reason for this. Wheat was a commodity that during the war was capable of being converted into new wealth on perhaps the easiest terms of any commodity in the world. The grower ploughed, harrowed, sowed, reaped and sold, and in one season new wealth was produced on a very large scale, because the prices paid for wheat during the war were, as the hon. gentleman said, very high. For some reason it was thought after the war that conditions that prevailed during the war would be continued and wheat would be supplied by Canada, Australia and the Argentine in increasing quantities to the former warring nations that were then at peace. But, alas, the fact is that in practically every country in Europe that had been engaged in the war, they began to devise methods, by the use of chemical fertilizers and otherwise, whereby they might increase their production of wheat, and at the same time they imposed high tariffs against importations of wheat from other producing countries. The result was that in one year France, as hon. gentlemen know, exported 15,000 tons of wheat to Great Britain, thus breaking the Canadian market there. The Danubian provinces sold large quantities of wheat to nearby territory; Hungary was an exporting country and even Germany produced more than she required. The consequence was that markets that had heretofore been available for Canadian wheat were no longer available. Then came the situation to which I have just referred, so far as Russia was concerned. Regardless of the wants of her people, regardless of the necessity of the preservation of them from hunger and starvation, wheat which could be easily converted into money on the English market was rushed there and sold at a price that bore no relation to the cost of production, the result being that all the rest of the world suffered. As regards Australia, where wheat is sold in an entirely different manner from Canadian wheat, where it is all bagged, and is somewhat softer in quality than much of our wheat, a market was found in China and other parts of the orient. With the depreciation in currency, an increasing market is being found in Japan, because the wheat that has thus far gone to that country has been bagged wheat and not wheat in bulk such as we ship out of our elevators.

The problem that confronts the Canadian people is that propounded by the hon. gentleman, namely, the disposition of the surplus production of wheat in Canada. Last year, when the season ended, the producing countries had on hand, without any new crop, sufficient wheat to meet the entire requirements of the importing countries. It was in furtherance of the very thought which the hon. gentleman has expressed tonight that a wheat conference was held in London at which informally the Russian government was represented, and certain conclusions were reached. The hon. gentleman knows better than I that the same disposition on the part of the wheat producing countries has been expressed unofficially, as to the necessity for lessening the production and acreage. In this country the acreage could not be lessened by the action of this parliament except by resorting to export licences or methods of that kind, because it is solely a matter of property and civil rights within the purview of the provincial power. The matter has engaged the attention of the wheat producing countries of the world, the Argentine, Australia and European countries, and they have expressed the view that some action might be taken; but obviously that action, in which selfishness must play a very considerable part, is difficult to make effective because the extent to which there shall be curtailment of production is a question that

is looked upon from a different angle by each of the wheat producing countries. I suppose the house is familiar with the fact that a bill recently introduced in the congress of the United States contemplates the possibility of making curtailment of acreage the test or standard by which a certain bonus is to be paid to those who restrict production. The bill has not yet passed. I suppose it is difficult to say what its fate will be, in view of the fact that the present congress will end its labours at the end of this month.

I can assure the hon. gentleman, first, that every step that can be taken to increase the consumption of Canada wheat by Canadians has been taken. It has been taken in various ways. The use of wheat in larger quantities has been impressed upon the Canadian people, and in the matter of relief it may well be said that perhaps we have been over generous in so far as the distribution of flour and wheat and agricultural products is concerned. That complaint has been made, but I assure the hon. gentleman that one of the reasons why there has been a generous disposition of agricultural products, including wheat and flour—I should say flour rather than wheat—is that it lessened the quantity of wheat which was left in the country for sale and which found and could find no market here.

Secondly, no action that could be taken through the Red Cross or any other voluntary organization could in any sense increase the quantity of wheat that could be consumed, or could in any sense lessen the quantity available for export. Lastly, every effort that could be made consistently with the maintenance of any price level at all for wheat has been made. I know of no case in which there has been the slightest hesitancy, shall I say, on the part of those who control the supplies of wheat to sell if the opportunity offered at the current market price. The only case of which I have any personal knowledge was when a suggestion was made for the sale of substantial quantities of wheat on a long credit basis but at a price several cents below the market price, and of course it would be impossible for the Canadian government to assist in the consummation of such a transaction.

I trust without going into the question of relief at this time, which I know the hon. gentleman does not expect me to do, and without amplifying the remarks I have ventured to make regarding the general principles which have governed us in the utilization of Canadian products, that the hon. gentleman will realize that no good purpose would be served by pressing the resolution beyond the purpose that has been served already of having enabled him to make clear his desire to assist in every possible way, by suggestion or otherwise, in the solution of the difficult problem that confronts the Canadian people through their overproduction of a great world necessity. I think that every purpose that can be served has been served by the address which the hon. gentleman has made. I thank him for affording the opportunity of bringing this matter to the attention of the house, and I trust that he will agree that the motion may now very properly be withdrawn.

Mr. VALLANCE: In view of the fact that the Prime Minister has mentioned the proposed sale of a certain volume of wheat to China has he any information that China or her representatives in making the offer which he admits they did, and which I know they did, to buy a certain volume at 29 cents a bushel, stipulated any certain grade?

Mr. BENNETT: Certainly there was a grade suggested. I have not the papers with me, but my memory is that was No. 4 or No. 5. I make that statement with a reservation, so I may be able to satisfy myself that it is correct.

Mr. VALLANCE: Was I correct in the statement I made to the Minister of Trade and Commerce the other night when his estimates were up that the volume suggested at the time was 50 million bushels?

Mr. BENNETT: That would not agree with my memory at the moment, but I will see if I can satisfy myself on that point. I suggested that the proposed purchaser, whom I had never seen before, communicate with those who had wheat to sell, and I did not charge my mind very seriously with all the details of the proposal. I suggested that it be put in such shape that it could be dealt with by those who had wheat to sell. I shall be very glad to look the matter up and refresh my memory. At the moment I do not think it was 50 million bushels, but it may have been.

Mr. H. A. MULLINS (Marquette): I have been astonished, Mr. Speaker, by the statements of the hon. member for Melville (Mr. Motherwell). Before this house adjourned for Christmas some statements were made in the house by the hon. member for Winnipeg North Centre (Mr. Woodsworth) with regard to certain relief camps in the west. The hon. member for New Westminster (Mr. Reid) also made reference to the same matter. Being interested in the camp in the

Riding Mountain national park I felt it my duty to go out and see what the actual conditions were. I found the men in that camp employed, well fed and well taken care of, and with not a complaint of any kind whatsoever. So the statement as made by the hon. member for Winnipeg North Centre before the Christmas adjournment was not correct.

In my trip west I went through to Victoria, and accompanied by the hon. member for Victoria (Mr. Plunkett) I motored forty miles to look at the Outer Point camp. I sat down and ate a meal with the men, as good a meal as you could eat any place in Canada. Those men are well cared for, well fed with food of the very best quality. I looked at the supplies in camp and found that they were of the very best. I came to Victoria island and motored out some thirty or forty miles to Langley. I went into the camp there and I can say that the statement as made in this house by the hon. member for New Westminster, when he referred to the purchase of some wheelbarrows and to certain conditions said to exist in that camp, was entirely wrong. It was also unfair in view of the conditions as I found them. I also visited with Mr. Rogers of Jasper Park, who has a large number of men in a large camp there. These men are also well taken care of and well fed. I asked the men openly if they had any complaints to make, and they said, "No, none whatever." I felt satisfied that the men were being well fed and well taken care of.

I visited the city of Winnipeg and found conditions there the same. Then I went to Toronto and went into the little mission on Yonge street, where I saw four hundred men being fed food of the very best. I asked if they had any complaints of any kind to make and they said, "None whatever." They were being well taken care of. The only thing they wanted was work, but they realized the conditions.

So, Mr. Speaker, I say that this country is doing its very best for the unemployed. It is feeding them well and taking care of them, and surely there is no reason whatever for any such motion as is now before the house. I have stated the conditions as I found them in the various camps from Ottawa to Victoria. I am sure that Canada is doing her duty on behalf of these men, and if only hon. gentlemen would visit these camps I am sure they would not make the statements they do on the floor of this house. I heard the hon. member for New Westminster speak of a machine that was in use where these men were on relief, and he said that you had to go seven or eight miles to turn it around. Mr. Speaker, you can turn that machine around on a quarter of an acre of land. I saw the machine myself, just to check up on the statement made by the hon. member for New Westminster. These rash statements that are being made are all erroneous. They must be made for some purpose, and I cannot understand what the purpose is unless it is to capitalize on the present day conditions. It must be that; it cannot be anything else. I cannot understand why the hon. member for Melville would put a resolution such as this on the order paper. If he would visit the different camps as I did, I am sure that he would change his views entirely.

Mr. THOMAS REID (New Westminster): I did not intend to take any part in this debate, but as the hon. member has seen fit to drag my name in, I am challenging the statements he has made. I was not aware that he was a self-appointed investigator for any government to go out and look over camps. I know this, that the man appointed by Senator Gideon Robertson in the first instance made several serious charges to the provincial government and to the lieutenant-governor at Victoria, asking that a full inquiry be made into the misspending of funds and wasteful extravagances.

Regarding wheelbarrows, I might say that when the inquiry took place after a statement was made in this house by myself, the government at Victoria in their inquiry admitted that there might have been 450 steel wheelbarrows but that it was a distributing camp. I am, however, glad the hon. member visited there, because he did actually find the steel wheelbarrows there and they are still there.

When he says no complaints were made I would like to read one complaint that was published just after he was supposed to have visited this camp. This is from the Vancouver Province of January 29. It says that "in January two men drove up in a big car; one of them, very well dressed and with a big ring on his left hand, came into the shack to change his socks. He was covered with mud. After the man in the relief camp had helped to scrape the mud off the well dressed man, the latter handed him a big nickel." I can think of no one that could be but our hon. friend, and I am surprised that he would come back and make statements like that in the house. I would like further time to debate this, because I am not taking back any statement I made on the floor of this house regarding the misspending of money for relief purposes during that time. I have no com-

plaints about the camps now; the men, I believe, are well looked after and, I believe, well fed. In my criticisms I never made any complaint regarding the treatment of the men in the camps.

Mr. MULLINS: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. MULLINS: I gave no one a nickel. I am not so small as that. The statement made by the hon. member is altogether wrong.

Mr. DEPUTY SPEAKER: The hon. gentleman has spoken already.

Mr. J. L. BROWN (Lisgar): I was not aware that this resolution was to come up tonight or I might have been provided with fuller details than I have with me at the moment. The hon. member for Melville (Mr. Motherwell) has discussed the measure chiefly from the standpoint of disposing of the accumulated surplus of wheat. It is not my purpose to discuss it from that standpoint but rather to indicate what might be done in view of the experience of relief committees in the United States in making use of a product we have in such abundance. It has been my good fortune and pleasure to come somewhat in contact with the system followed over there. True, as the Prime Minister (Mr. Bennett) has pointed out, we in Canada are not in quite the same position as they were. The movement for the use of whole wheat was begun in a very small way in the town of Oberlin by one who had had some experience in its use in the early days in Manitoba. It began with wheat cracked in ordinary small hand mills. The movement grew larger and larger, and quantities of wheat were sent in from the surrounding country. Instead of using hand mills I saw them using two old cast off coffee mills and a farm grinder driven by electric power. This was in the town of Lorain, Ohio. At this time the movement had gained considerable momentum. The Prime Minister has said that boiled wheat will not keep people in good condition for very long. It may be that boiled wheat is not a very attractive diet, but it was clearly demonstrated that wheat ground in this primitive way could be used for the making of different products that were very attractive. I myself ate cookies and pancakes and muffins made from wheat ground in this manner. After the movement had been under way for some time application was made to congress to pass a bill granting, in the first place, forty million bushels, and I happened to be in Loraine when the first car of that wheat arrived from Chicago. I think the last word I got was that nine or ten cars had been used in that one town alone. The movement spread all over the United States, until now I understand they have absorbed all the wheat that was held by the farm board.

I can agree pretty largely with the statement made by the Prime Minister that this particular movement would not relieve the farm surplus in any great degree, but I wish that relief committees in the various parts of Canada who are carrying on voluntary relief would investigate what has been done along this line in the United States. They would find that the sometimes meagre funds at their disposal could be used to very great advantage. I know the statement was made by the relief committee of the city of Cleveland that they had reached the end of their voluntary offerings, and then they received the wheat from the farm board. If my memory is correct they made the statement that this wheat would save them about $50,000 in that one year.

I believe this movement for the use of our wheat by relief committees already has begun in Canada. Shortly before I left home the announcement was made that if farmers would contribute quantities of wheat it would be ground and sent to the relief committee in Winnipeg. I do not advance this suggestion in the hope that it will take care of any great quantity of our surplus wheat, but I am quite satisfied that if the relief committees throughout Canada would investigate what has been done, see the various ways in which whole wheat flour may be used and the attractive dishes that can be made from it, they might find themselves able to carry on their relief work more satisfactorily than at present. I have not the slightest doubt, in spite of what the right hon. Prime Minister has said with regard to all cases of need being cared for adequately, that there are still many people in our cities who would be glad to get larger supples than they are receiving at present. While I was in the town of Lorain I saw the people come to the place where the wheat was being ground; they received supplies of the flour, and they expressed great satisfaction with what was given them. So it must not be supposed that this proposition simply involves giving wheat to people to be boiled, as might be taken from the words of the Prime Minister. That wheat was ground and the flour baked in such a way that no one, no matter what might be his tastes, need object to making use of what was furnished. If my words could be brought to the attention of relief committees in various cities of Canada I should be very glad to put them in communication with those who initiated the move-

ment in the United States, and who have followed its course during the last two or three years. I may say that from time to time I am in communication with those who began the movement, and I am quite satisfied that it has been eminently successful. As I said before, our government has not on hand a large store of wheat such as that held by the farm board in the United States; the circumstances are quite different, but I believe it is quite possible that relief committees in our cities might take advantage of what has been done in the United States in order to use their funds, which in many cases are all too inadequate, to greater advantage.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I think perhaps a few words might be said, Mr. Speaker, with regard to this wheat surplus which is bearing so heavily on the market. Before I address myself to that phase of the resolution, however, I should like to make just one observation in regard to the remarks of the hon. member for Lisgar (Mr. Brown). In the first place I would say that no matter how complete might be the adaptation of his suggestion in Canada, it could not very seriously affect the quantity of wheat which we have for sale. At the same time, I agree that it would be desirable to stimulate the consumption of wheat and wheat products in Canada, which is such a prolific producer of wheat.

May I make just this further suggestion to my hon. friend and to others who may be interested in his suggestion: Would it not be very fair to suggest that the relief organizations right in the heart of the wheat producing area, such as Regina, Winnipeg or other western cities, might try the plan which has been put forward so admirably by the hon. member for Melville (Mr. Motherwell) and the hon. member for Lisgar? Perhaps it would interest the house to know that a large corporation in this city, about as far removed from interest in or the production of wheat as any organization could be—I refer to the Canadian Bank Note Company—issued a most admirable brochure on the very subject which my hon. friend has mentioned. They had a dietitian work out a number of very excellent recipes using wheat, and I am sure they would be glad to place that brochure at the disposal of any organization interested. I do suggest very earnestly, however, that this plan might be tried in one of the great centres of the wheat growing area, and then probably it would spread rapidly to other centres.

In his resolution the hon. member for Melville refers to two matters, to the first of which I have just made reference, and which I think was very well covered by the Prime Minister (Mr. Bennett). The second suggestion is:

> . . . selling on long term credits a substantial quantity of our embarrassing wheat carry-over to China. . . .

I wish to refer to this suggestion for a few moments. My hon. friend from Melville said: "Let us sell the wheat on any terms; get rid of it at any price". I submit to my hon. friend, though perhaps he was indulging in a superlative, really for the purpose of impressing the point—

Mr. MOTHERWELL: May I point out that I suggested this plan as an alternative to doing nothing? I said it would be better than just letting the wheat pile up.

Mr. STEVENS: Seriously, Mr. Speaker, I want to draw to the attention of my hon. friend the possible danger in such a suggestion. As a matter of fact I rather deplore any suggestion of the kind going forth from this house, because I am afraid it will have a depressing effect upon an altogether oversensitive world market. Canada ought not—and I hope to demonstrate this in a moment—do anything that will give the impression abroad that we are in the position of having to sell wheat at any price. If we did that in connection with only five million bushels, which would not help a great deal when we are handling three hundred million or four hundred million bushels, it would inevitably depress the price for another forty million, fifty million or perhaps seventy-five million bushels. This market is an exceedingly sensitive organism, and the one thing we have been trying to do in Canada is to hold the marketing of wheat on a stabilized and what we might call an orderly basis. I can say this, I think, with confidence: I am sure that those who have followed the market with care, as I do daily, will agree that the Canadian marketing system has not beared the market unreasonably during the past year, but they have never refused to sell wheat when it was asked for by any market in the world. It would be deplorable were we to adopt in any sense the suggestion that we should sell wheat and sell it at any price.

To bear out what I have said, I wish to give to the house some rather interesting data. The test of what we are doing with our products is to be found after all in the way in which we are getting them out to the markets of the world. I have here a tabulation which I will read to a sufficient extent to warrant my asking that it go on Hansard in detail, so that the house can get it in its

present form. For the moment I will indicate the facts disclosed in this document. It is a ten-year tabulation of the export of wheat and wheat flour. The two are combined; that is to say, the flour is treated as wheat. It covers the ten-year period from 1922-23 to 1932-33 and gives the months of August to January right down to January, 1933. Let us take the month of January by way of illustration. In January, 1933, we marketed, in round figures, 16,500,000 bushels of wheat, and the other years run as follows: 14,000,000; 17,000,000; 10,000,000; 16,000,000; 16,000,000; 18,000,000; 25,000,000; 7,000,000; 11,000,000; 10,000,000.

If you take the average for ten years for this six months period you will find that Canada marketed 150,000,000 bushels in that period over a stretch of ten years. This year we marketed 160,000,000 bushels, or 10,000,000 bushels more than the average for the ten years. Then take the last five-year period. The average for that period was 144,000,000 bushels, whereas we marketed this year, as I have already said, in the six months indicated, 160,000,000 bushels, showing that at the present time we are pressing out wheat to the markets of the world at a more rapid ratio than the average for the ten years or the average for five years. My hon. friend therefore may take it for granted that Canada is not piling up a surplus from any lack of effort to market.

Following is the table:

Canadian exports of wheat and wheat flour—August to January
1922–23 to 1932–33

| —— | 1922–23 | 1923–24 | 1924–25 | 1925–26 | 1926–27 | 1927–28 | 1928–29 | 1929–30 | 1930–31 | 1931–32 | 1932–33 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | bush. | bush. | bush. | bush. | bush. | bush. | bush. | bush. | bush. | bush. | bush. |
| August | 14,247,005 | 14,374,581 | 11,001,872 | 18,417,164 | 11,608,211 | 14,508,757 | 29,218,716 | 13,050,873 | 20,461,776 | 14,258,909 | 19,776,551 |
| September | 12,371,685 | 7,353,683 | 14,620,156 | 18,851,722 | 13,330,623 | 17,118,851 | 30,926,764 | 9,625,524 | 31,121,623 | 16,840,179 | 28,607,246 |
| October | 41,441,618 | 34,269,281 | 19,439,632 | 46,496,013 | 34,905,314 | 23,474,245 | 48,956,623 | 23,215,028 | 33,445,885 | 21,438,369 | 42,571,988 |
| November | 60,781,052 | 70,304,858 | 31,056,274 | 40,286,468 | 49,324,179 | 57,977,870 | 80,633,055 | 24,866,067 | 34,783,144 | 29,596,254 | 29,897,864 |
| December | 47,251,047 | 63,633,769 | 33,573,409 | 61,697,530 | 48,861,083 | 49,114,129 | 53,242,306 | 18,683,198 | 24,938,920 | 24,386,870 | 29,950,147 |
| January | 14,353,663 | 17,057,018 | 10,039,111 | 16,423,926 | 16,053,950 | 18,646,853 | 25,031,828 | 7,257,050 | 11,374,004 | 10,965,473 | 16,494,669 |
| Total | 190,446,070 | 206,993,190 | 119,730,454 | 202,172,823 | 174,383,360 | 180,840,705 | 268,009,294 | 96,697,740 | 156,125,352 | 117,486,054 | 167,298,465 |
| Deduct | †26,779,986 | 36,852,224 | 16,931,110 | 22,487,024 | 11,044,965 | 27,977,546 | 21,966,665 | 15,372,440 | 15,618,112 | 14,135,691 | 6,514,429 |
| | *163,666,084 | 170,140,966 | 102,799,344 | 179,685,799 | 163,338,395 | 152,863,159 | 246,043,629 | 81,325,300 | 140,507,240 | 103,350,363 | 160,784,036 |

†In each of the eleven crop years, the increases in stocks of Canadian wheat in United States positions between August and January, have been deducted. When Canadian wheat moves into store in the United States, it is counted as an export. In the present year a smaller amount of Canadian wheat is moving through United States ports and consequently our export figures for 1932–33 are somewhat lower than they would be if normal quantities of Canadian wheat were in store in the United States.

*10 year average 1922–23 to 1931–32..... 150,372,027 bushels.
5 year average 1927–28 to 1931–32..... 144,817,938 bushels.

I agree with the observations that have been made with regard to the speech delivered by my hon. friend from Melville. It was an admirable speech, delivered in splendid spirit, and whatever I say is said in the same spirit in which the hon. gentleman presented his resolution. He made the statement that this surplus is bearing us down, and I think he used a rather interesting simile when he said that it was drowning us just as you might drown a cat.

Mr. BENNETT: A cat has nine lives.

Mr. STEVENS: As the Prime Minister says, a cat has nine lives.

Mr. VALLANCE: We are on the last one now.

Mr. STEVENS: If the hon. gentleman will follow me for the next ten minutes I will endeavour to disabuse his mind of that depth of pessimism into which he has floundered. We are not being borne down or overwhelmed with an unreasonable surplus of wheat at this time. I venture to say that even with the large crop we have garnered this year the carry-over will not be more than it was last year. It may vary a little up or down but I do not think it will be much over; in fact I think it will be a little under. But circumstances outside of Canada are entirely different this year from what they were a year ago, so that even if we do have such a surplus at the end of the crop year it will be under conditions distinctly advantageous to Canada and not as they were in the previous year.

Let us look for a moment at the world situation as it is to-day. I have given it a great deal of very careful study and I base these observations upon the fullest possible information available. The world situation is this. Europe is bare of wheat, and that does not apply merely to the large centres where wheat is normally gathered, such as Hamburg, Antwerp, Rotterdam, Liverpool, and so on. I mean the country supplies of Europe. It has been the practice for centuries over there to carry in the stack considerable quantities of wheat on these small farms. It has been a common practice for many years, but owing to two factors, first the bonuses in the way of high tariffs that have been given to the producers in Europe, and secondly to economic pressure, the farmers of Europe have sold off this supply.

Now it should be borne in mind that this supply hitherto held upon the farms in Europe has never entered into the statistics of the various countries when figuring on wheat. This first came to my attention some months ago when I was making a careful analytical study of the figures of production and consumption of wheat, and I found the discrepancy. It was very difficult to understand it, but after we had given it a great deal of study we found that this invisible surplus in Europe, which has been there normally for centuries and consists of a quantity estimated as between possibly 200,000,000 and 500,000,000 bushels—I think it is impossible to estimate it exactly—we found, I say, that this invisible unaccounted surplus has been fed on the market during the last three years particularly and accounts for the discrepancy in the figures we have had before us from time to time.

Bearing out my suggestion in that regard, there was a report issued the other day by Broomhalls, and although I am speaking from memory, not having it before me, I think I am safe in saying that in that report he pointed out that the stocks in Europe, visible and invisible, were largely exhausted; and he intimated, I think, that they were at their lowest point in the history of buying countries. He made the further observation that now was a good time to replenish these stocks because of the low price of wheat throughout the world. That is to say, in the buying countries the stocks of wheat normally visible and those that were invisible have been substantially if not almost wholly exhausted.

Turning to the other side of the question, we find that the winter wheat area of Russia is below what it has been in recent years; that is, the acreage that has been sown and the condition of the wheat during the fall months of November and December have fallen off. The land is not in good condition and the acreage is not as large as it has been, by a considerable number—I saw a figure the other day showing a diminution of 4,000,000 acres. Many of these figures one must not take too seriously, but it is a certainty that there has been a substantial diminution of acreage in Russia. Now the spring wheat area in Russia is known among agriculturists as in foul condition, owing to new methods of farming and the rather disturbed conditions of the last four or five years. There has been a growth of weeds which is familiar to many of our western farmers, who know how difficult it is to produce a good crop under such conditions. It can therefore be reasonably asserted that Russia will not be a serious competitor, certainly not if she feeds her own people in the next year or two.

We come next to the Balkan area, in part an exporting country although upon occasions it is an importing country. It is a heavy producer of wheat and the winter wheat area, although not seriously injured, is reported to be in a subnormal condition.

We turn from that to the Argentine. The present Argentine crop is a fair crop as far as quantity is concerned, but it is below normal in quality. Argentine wheat is one of the chief competitors of Canadian wheat, and I venture the assertion that it will not be on the markets in its higher grades to the degree expected a few months ago.

Mr. VALLANCE: There is only one grade of Argentine wheat, F.A.Q.

Mr. STEVENS: There is more than one grade.

Mr. VALLANCE: That is their average wheat.

Mr. STEVENS: The point is that that grade is not up to normal.

We come next to Australia. This year they have a crop of good quality, but it is their third or fourth successive good crop, which is an abnormal number of successive good crops for that country. There has been a substantial increase of acreage in Australia, the present crop having been taken off an acreage some 2,500,000 acres above what it was in previous years.

The United States has been one of the depressing factors in the world markets for the last three years because of their very large surplus. I neglected to point out that in 1928-29 all the producing countries of the world had phenomenally large crops, and in addition Russia entered the market in the manner referred to by the Prime Minister a moment ago. All the countries were left with large surpluses, the total amounting from 350,000,000 to 400,000,000 bushels above what they were able to get rid of in the world market. I think the United States have been quite reasonable in their methods of marketing during the last two or three years; they have certainly not been unreasonable. The present crop of winter wheat in the United States is in a subnormal condition. A reduction in acreage has been referred to, but in the case of the United States there has been a greater reduction by nature than could be achieved by any constituted authority.

Mr. MOTHERWELL: What does the minister mean?

Mr. STEVENS: I am referring to the winter kill. The effects of this blight have been tantamount to a very substantial reduction in acreage. It is unlikely that the United States, even with a good spring crop, will have any more wheat than is necessary to supply their own needs. At the most there will be only a small surplus.

Canada has had a very good average crop. In some sections it was poor, but on the whole it was of good average. As I indicated a moment ago, if I had expected this matter to come up I would have had the precise figures before me. Our wheat has been got out to the markets of the world in an excellent manner. Prices have been low and depressed but there has been a fair demand and our wheat has moved out better than in recent years. I think we are justified in saying that the marketing or the disposal of Canada's crop has been very satisfactory, other than in price.

We come now to the situation which may be faced next year. I say without much hesitancy that there is no likelihood of a depressing surplus this coming crop year, that is, after the midsummer period. Undoubtedly there is enough wheat in visible supply to take care of the world's needs, but, taking it by and large, there is not a surplus beyond what has in the past been looked upon as a reasonably safe margin. With one exception all the factors are present for an advance in the price of wheat, and that exception is the depressed and dislocated economic position of the buying countries. The buying power of the people in the purchasing countries undoubtedly is dislocated and subnormal, again using that term. All this is keeping down the price of wheat. I think the price of wheat is held down more by the inability to buy or the fact that people do not wish to buy than by the actual surplus of wheat visible on the world market. The outlook is not too blue and our people should face the present situation with a degree of reasonable confidence. I do not think it would be a good thing to have a sudden rise in the price of wheat or other commodities, but certainly an accretion in the price of wheat and other commodities is desired by all.

If we launch upon a policy of definite curtailment of acreage, I think there is a danger of stimulating still further the production in the buying countries. It must be borne in mind that the buying countries such as France, Germany, Italy, the Netherlands and other small European countries have in recent years, by means of quotas and high tariffs against foreign wheat, tremendously stimulated the production of wheat within their own boundaries. I do not think it would be wise for the producing countries artificially to advance the price of wheat by a curtailment of acreage. If this matter is to be discussed, to my mind it ought to be discussed with the purchasing countries sitting in. We must bear in mind that wheat can be grown anywhere between the Arctic and Antarctic circles; it can be grown quickly; it can be produced in such countries as Persia and

northern Africa. A very considerable quantity is produced now in northern Africa to supply France with a portion of its requirements. If the big producing countries were to adopt a policy of unduly and artificially advancing the price of wheat, there would be that reaction.

My hon. friend suggested the marketing of some of our wheat in China, but there are one or two things that ought to be said in regard to that. Some months ago a group of clergymen waited upon me to advocate this very thing. Their views were based entirely upon humanitarian grounds; their suggestion was motivated, I think, purely by a desire to have some cheap food given to those whom they conceived to be starving in China. We went into this matter with considerable care; we did not lightly dismiss it. I took the trouble to have our officers who are on the ground give it close attention and study. But in China certain conditions now obtain which make it physically impossible to get the wheat to the desired objective. For instance, let us take last year's flood area of which we are aware. I was told by men of repute, whose word could not be questioned, that it would be impossible to get in there, because lying between the seaboard and those areas were numbers of substantial army organizations with ambitious generals who were exercising jurisdiction over large provinces and who would intercept anything passing through. So that really had we done this the wheat we sent into China ostensibly for the relief of private persons suffering in some interior point would have been sequestrated by ambitious war lords who would use it for the purpose of supporting their armies. Of that I do not think there can be any doubt.

Another point in regard to the placing of wheat in China is this: It is not, I think, generally understood in this country that most of the wheat and flour that enters China goes through the Shanghai area. That is perhaps one of the largest milling centres and also one of the best organized business centres in the world. They think of these things purely and simply from a business standpoint. They are at present buying large quantities of wheat. They are jealously guarding the trade within, shall I say, the ambit of the area in which they are able to trade, and there is little possibility of passing flour or wheat through that area and distributing it, in any satisfactory way known to us, in sections either served by them or beyond the circle of their influence.

So I want to assure the hon. member for Melville that we have not failed to study the question, but we feel the suggestion is impracticable. At the same time I should like to point out that very substantial quantities are now being sold to China, although Australia is selling much larger quantities than we are, the reason being the use to which the Chinese desire to place wheat or wheat flour, namely, for what is known as noodles or for the pastry type. They do not use light yeast bread to the same degree as we do. What we are trying to do, through the influence of trade commissioners, and so forth, is to stimulate the use of bread wheat and bread flour there; but the chief purpose for which they use wheat is to make soft wheat products such as noodles and confections. The consequence is that they prefer Australian wheat to ours, but there is this comfort for us in the fact that the larger the quantity of Australian wheat that finds a market in the orient, the less the pressure upon the Liverpool and European markets, so that whether it is sold one place or the other makes comparatively little difference. Nevertheless we are sending very substantial quantities of wheat and flour to Japan and northern China. We have recently opened a new market in the Dutch East Indies, and in many other places we are extending the market for Canadian products and doing everything we can to enlarge their sale.

It has been suggested by the Prime Minister that possibly the hon. member, seeing that we have had this prolonged discussion on his resolution, might withdraw it.

Mr. MOTHERWELL: I believe a number still want to speak.

Mr. VALLANCE: Will you call it eleven o'clock, Mr. Speaker?

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

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## Tuesday, February 14, 1933

The house met at three o'clock.

### PETITION—MR. WILSON

Mr. G. C. WILSON (Wentworth): Mr. Speaker, I desire to present a petition from the milk producers of Wentworth county in which they request that all reasonable and effective measures be taken in order to revive the dairy industry upon a basis equally advantageous to the producer and consumer, and that some equitable arrangement can be made whereby the producer of milk will be paid for his milk and milk products a price which at

least covers the cost of production and provides for a profit on a par with that earned by the dairies.

## DEPUTY MINISTER OF MARINE

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): On Friday last the Minister of Marine (Mr. Duranleau) told the house that the appointment of deputy ministers was under the jurisdiction of the Prime Minister, so I should like to ask the right hon. gentleman why the position of deputy minister of marine has not yet been filled.

Right Hon. R. B. BENNETT (Prime Minister): I suppose the answer is because no appointment has been made.

Mr. CASGRAIN: With all due respect, Mr. Speaker, I submit that this is not an answer. Why has no appointment been made?

## CANADIAN NATIONAL RAILWAYS

### INQUIRY AS TO ANNUAL REPORT AND ITS SUBMISSION TO THE COMMITTEE ON RAILWAYS AND SHIPPING

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the Minister of Railways and Canals (Mr. Manion) if he can state when the report of the national railways will be presented to parliament.

Hon. R. J. MANION (Minister of Railways and Canals): I have had no word yet, but I will make inquiries and let the right hon. gentleman know.

Mr. MACKENZIE KING: Is it the intention to constitute a committee to deal with the report and national railway matters, as has been the practice in previous years?

Mr. MANION: That is a matter for the house. In view of the legislation now before the Senate, which will later be before the house, I hardly thought it would be advisable to proceed in that way, but of course that is my own opinion. It is for the house to decide.

Mr. MACKENZIE KING: What difference can the Duff report make in the consideration of these matters in detail by the committee?

Mr. MANION: The reason is that the Duff report suggested that the committee should not meet as it has met in the past. There are some suggestions which should be dealt with before that committee meets again, but of course that is only my own opinion again.

[Mr. Wilson]

### REPORTED PURCHASE OF RAILWAY DOCK AT VANCOUVER BY FIRM OF COAL MERCHANTS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): In view of recent head-lines in the Vancouver newspapers I should like to ask whether any representations have been made with regard to the sale of the Canadian National railway docks in Vancouver. This question has been asked before, and I wonder if the minister is in a position to make a definite statement at this time.

Hon. R. J. MANION (Minister of Railways and Canals): I have no definite information.

## WORLD ECONOMIC CONFERENCE

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Yesterday the hon. member for Winnipeg North Centre (Mr. Woodsworth) asked a question with regard to the agenda of the monetary and economic conference. I told the hon. member that I had received no official copy of the agenda, but a draft annotated agenda has been issued by the League of Nations, and I fancy it is now available to hon. members here. So far as I have been able to ascertain I have not received any extra copies as yet, but a draft has been received.

## PENSION LEGISLATION

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I should like to ask the Minister of Pensions and National Health (Mr. MacLaren) whether it has been decided as yet to introduce legislation based upon the report of the committee which investigated the working of the Pension Act?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): It has not been decided, but I think it quite likely that legislation will be introduced. I cannot make a definite statement to-day.

## TOBACCO COMBINE

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): A few months ago representations were made to the government with regard to an investigation into a suggested combine in the tobacco industry. I should like to ask the Minister of Labour (Mr. Gordon) whether any steps in this direction have been taken.

Hon. W. A. GORDON (Minister of Labour): I consulted with the registrar under the Combines Act some weeks ago, and he has been assembling the material touching upon the question. He will proceed with his investigation, and in due course—and I hope it will not be too long delayed—his report will be made.

## BROADCASTING OF SEDITIOUS SPEECHES AT STATION CHLP

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, I wish to inquire from the hon. Minister of Marine (Mr. Duranleau), whether he has been informed that certain seditious speeches were delivered under the patronage of the "Fédération des clubs ouvriers" at the broadcasting station CHLP, "La Patrie," Montreal, and, if so, whether measures have been taken to prohibit such speeches.

Hon. Mr. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, the Department of Marine, so far as I know, has received no official information that seditious speeches were made at any broadcasting station.

## MIGRATORY BIRDS CONVENTION ACT

The house resumed from Tuesday, February 7, consideration in committee of Bill No. 19, to amend the Migratory Birds Convention Act —Mr. Murphy—Mr. LaVergne in the chair.

On section 2—Royal Canadian Mounted Police to be game officers.

Mr. MACKENZIE (Vancouver): When the committee adjourned I understand the specific question under consideration was that asked by my hon. friend the member for Shelburne-Yarmouth (Mr. Ralston) whether the Minister of Justice would consider specifying individual members of the Royal Canadian Mounted Police to be migratory bird officers, instead of a blanket authority conferred upon the whole force.

Mr. GUTHRIE: I remember the discussion that took place. I think the hon. member for Shelburne-Yarmouth urged two points; one in regard to clothing members of the police with magisterial powers. I am inclined to agree with the objection which he took in that respect. I do not think that members of the police who are designated as officers under the Migratory Birds Convention Act should be clothed with the powers of magistrates. And as I read the act now carefully I do not think the act gives them such powers, though that power was conferred upon those who were appointed under the present act.

On the other point that the hon. member for Shelburne-Yarmouth urged, that certain members of the mounted police force should be designated in each province as inspectors under the Migratory Birds Convention Act, I have discussed this with the commissioner of the Royal Canadian Mounted Police, and he is utterly opposed to the suggestion. He says that if such a proposal were adopted the tendency would be for members of the force to imagine that was their particular work, and they would disregard other services which they were called upon to perform. He says it is one of the cardinal rules of the force that its members shall enforce in general all the laws of the country or the province, and shall not be designated for any specific branch of the service. We have the preventive service, for instance; in certain provinces they do work under the liquor laws. He is utterly opposed to segregating any part of the service for any special law enforcement, and he objects for that reason to the proposal made by my hon. friend from Shelburne-Yarmouth. He says it will be far more satisfactory to allow the whole force to become inspectors under the Migratory Birds Convention Act, so that it will become the duty of every member to enforce that as well as other laws.

Mr. MACKENZIE (Vancouver): When this act is passed, will the enforcement of the provisions rest with the Department of Justice or with the Department of the Interior as heretofore?

Mr. GUTHRIE: If it rests with any department I would fancy it would rest with the Department of Justice, because the Migratory Birds Convention Act enforcement has now been transferred by order in council to the Department of Justice, being the department in control of the mounted police. I assume that all prosecutions would be under that department in the future.

Mr. STEWART (Edmonton): May I ask then if all the officers will be transferred from the Department of the Interior to the Department of Justice?

Mr. GUTHRIE: That has already been done.

Mr. MURPHY: The Migratory Birds Convention Act, interpretation clause states that the minister for the purpose means the Minister of the Interior; that has not been changed. The order in council simply transfers to the Department of Justice the police work, carrying out the regulations, dealing with illegal shooting.

In order to clear the matter up I will read the clause of the order in council, being P.C. 2283—

Mr. MACKENZIE (Vancouver): When was that passed?

Mr. MURPHY: Friday, October 14, 1932. The clause reads:

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of the Interior and the Minister of Justice and under the provisions of section 2 (a) of chapter 165, revised statutes of Canada, 1927, is pleased to order that the responsibility for the police work in connection with the enforcement of the provisions of the Migratory Birds Convention Act and regulations thereunder throughout Canada be and it is hereby transferred from the Department of the Interior to the Royal Canadian Mounted Police. All other responsibilities under the said act to remain with the Department of the Interior.

According to the terms of the order in council the Department of Justice, through the Royal Canadian Mounted Police, will be charged with the police duties, but other phases of the act will continue to be enforced by the minister of the Department of the Interior.

Mr. MACKENZIE (Vancouver): What will the other responsibilities be that will remain with the Department of the Interior when the actual enforcement of the provisions of the act is transferred to the Department of Justice?

Mr. MURPHY: The Migratory Birds Convention Act was passed following an agreement between this country and the United States for the conservation of the wild bird life of this continent, dealing solely with migratory birds. There are many other duties beyond that of merely police work in protecting the birds from illegal shooting during certain seasons of the year. It is a much broader question, it deals with the conservation of the wild bird life of this continent, which is very important. One phase of the duties would be the establishment, as has been done, of sanctuaries throughout Canada where no shooting is allowed. Also studies of the habits of these birds, in order that a proper understanding may be had of them with a view to necessary regulation or legislation for their conservation and increase. Merely protecting them from illegal shooting is only a small part, I would say, of the duties of the Department of the Interior in conserving these birds.

Mr. BRADETTE: That does not do away with the argument I advanced the other day about conflict of jurisdiction. I do not want to go over the ground again, but I believe I showed the other day that in the application of that law there will be conflict between federal and provincial jurisdictions. I believe that could be cured by an amendment, after the words "game officers"—

in districts and territories where the federal government has full jurisdiction.

I know from personal knowledge of many occasions in northern Ontario when conflict has arisen—not open rivalry, because I say here that all mounted police are glad to work in cooperation with municipal and provincial police. But I believe there is an anomaly there which should be remedied. Surely the federal government does not want to interpose its authority where a province has full jurisdiction. I believe that amendment would do away with a lot of criticism and things that have happened in the past.

The Minister of Justice in answer to my question said it was within the authority of the federal government, in the case of an international treaty of this nature, to impose upon the provinces the application of that law. So why the conflict of authority? I do not see the necessity of it, and I take it the Minister of Justice and also the Minister of the Interior want to avoid any friction.

Mr. GUTHRIE: I think my hon. friend's anticipation of friction is purely imaginary. His amendment would confine the federal jurisdiction to what we know as the Northwest Territories and the Yukon. The rest of this country is allotted to the various provinces who have sovereign rights in their respective portions. There is no conflict of jurisdiction with regard to an international treaty, the federal government being vested with power to carry out in the various provinces the provisions of such treaties. I cannot imagine that there will be any conflict between the provincial and federal authorities with regard to this particular convention. If my hon. friend's amendment were to carry the jurisdiction of the federal authorities would be confined to the Northwest Territories and the Yukon. Protection is not nearly so necessary in those parts of Canada as it is in the more settled portions where there are more sportsmen and more guns. It is to protect the migratory birds in these districts that this convention is framed.

Mr. MACKENZIE (Vancouver): Mr. Chairman, I should like to make one or two observations with regard to this bill. In the first place I am opposed to a division of jurisdiction between the Department of the Interior and the Department of Justice

in connection with the enforcement of the provisions of this bill and the conservation of wild game. I am opposed also, by inference, to the suggestion which, according to the Minister of Justice, has been made by the commissioner of the mounted police to the effect that it would be a bad principle to appoint specific men by name. I have the greatest respect for this officer but I contend that parliament should decide these questions and not any gentleman who happens to be the head of the mounted police. I do not say it is deliberate, but there does seem to be a tendency to take away from various departments of government certain powers which are turned over to the mounted police. It is possible to go too far in this direction. The provisions of the old bill were better in every way. Under the present bill I think there will be a conflict in authority. It is all very well to say that it is only the policing that is being vested in the Department of Justice, but the fact remains that there were very few complaints against the old game officers under the Department of the Interior. I am afraid too much authority is being vested in the mounted police. Last year they took over the preventive service, it is now being proposed that they shall take over the migratory bird service and next year it may be something else. I wish to sound a word of warning against the vesting of too much authority in the mounted police of Canada.

Mr. MURPHY: Mr. Chairman, supplementing what the Minister of Justice (Mr. Guthrie) has so well said as to there being no conflict of jurisdiction in these matters, I wish to say that the provinces and the dominion have always worked in the fullest cooperation. There has been no conflict in enforcing the provisions of the act or establishing closed seasons during certain periods of the year. The hon. member for Vancouver Centre (Mr. Mackenzie) fears that the jurisdiction is being divided, but may I say that we are only doing now in the maritime provinces what has been done in all parts of Canada during the past years. Last year the mounted police took over the duties previously performed by the provincial police in the provinces of the west. The enforcement of the police regulations of this act, if I may so term them, was carried out by the provincial officers in the western provinces and last year this work was taken over by the mounted police. We are only doing now in the maritime provinces what has been done throughout the rest of the country.



Mr. MACKENZIE (Vancouver): Is that done specifically or generally?

Mr. MURPHY: It has been general in each province. In the province of Ontario the provincial police officers have been in the main enforcing the police regulations of this act, as was the case in the western provinces until last year, when the provincial police duties were taken over by the Royal Canadian Mounted Police. I do not think there is any basis for the fears of my hon. friend.

Mr. CHEVRIER: Mr. Chairman, with what has been said by the hon. member for Vancouver Centre (Mr. Mackenzie) I agree fully in so far as the taking away of further rights from the provinces is concerned. As one who delights in spending as much time as he can during the proper seasons in the bush and on the streams, I think it is a great mistake to change the officials who have been administering this law. In the districts with which I am acquainted, I think the law has been administered very efficiently. It has been my good fortune to have travelled extensively in the Gatineau valley and north of Maniwaki, and I have always found that the officials in Quebec were looking after their duties in a most efficient manner. I have the greatest admiration for that very wonderful corps called the Royal Canadian Mounted Police and I know how efficiently they discharge all duties entrusted to them. I have no doubt that they would be able to carry out such duties as are required under this act in an efficient manner as far as the urban and more thickly settled districts are concerned, but I do not think this would apply to the more thinly populated sections. These game wardens travel by canoe and on foot over every inch of their country, they have the qualifications and the aptitude to discharge their duties, and I do hope that these men will be maintained in their present positions. I do not think the mounted police would be able to perform these duties as efficiently as the present game wardens.

Mr. BRADETTE: With all due respect to the Minister of Justice (Mr. Guthrie) I must tell him and the house that I know from personal experience that there have been many instances of conflict between the two authorities in northern Ontario. I should like to quote from Hansard at page 1777. I asked the minister the following question:

I would ask the Minister of Justice: This act we are dealing with being an international matter, is there in the constitution machinery which will allow the federal government to ask the provincial governments to apply this act?

The Minister of Justice replied:

There is a provision in our constitution that in regard to international treaties the federal government can enact laws imposing upon a province whatever is necessary to carry out an international obligation. This being an international obligation, a matter of treaty between Canada and the United States, the federal government is empowered to pass such laws as are necessary to put it into force in the various provinces of Canada.

When you have two police bodies, the provincial police and the mounted police, there is bound to be conflict if they are both given the same jurisdiction. I should like to inquire of the minister if the officers of the mounted police would be also justices of the peace?

Mr. GUTHRIE: No.

Mr. BRADETTE: If they are to have no jurisdiction in the imposing of fines, then the conflict would not be so great.

Mr. CASGRAIN: For the reasons mentioned when this bill came up before, I think it is my duty to protest once more against the enactment of this legislation. As I pointed out at that time, I think this power, if put into force, will have the effect of depriving of their livelihood many humble people in my constituency who earn their living by having been appointed under the authority of the Department of the Interior to enforce the law under the direction of Mr. Lewis. It is not fair of the government to take such action. I see in it also a certain kind of propaganda the government wants to spread, because when these officials of the Royal Canadian Mounted Police are appointed to patrol a whole district, they will have in a way a say at election times. Although I do not know whether all those who have been appointed of recent years to the mounted police are of any one political party, there is no doubt that when they will have charge of the enforcement of the law in those districts, they will be much more severe on the people there than would the officials who were formerly appointed. Those who were appointed before under the direction of Mr. Lewis were men who knew the territory in which they were serving, and so far I have not heard of any complaint against them or against the work which Mr. Lewis has been performing in that district.

As I said before, the government in these matters every year brings in too much legislation giving most extensive powers and territory to cover to the Royal Canadian Mounted Police. I quite agree with the remarks made by the hon. member for Vancouver Centre when he said that year after year new legislation is introduced giving broader powers to the mounted police. I may put it in a word, as I said the other day, that the government seems to have gone mad on the Royal Canadian Mounted Police. I do not think the government will gain anything by amending the law in the way they want to do.

Mr. MERCIER (St. Henri): In looking over Bill No. 19, to amend the Migratory Birds Convention Act, it would seem to transfer to the Royal Canadian Mounted Police the enforcement of the recommendations contained in the Migratory Birds convention. I understand that laws are passed in this house and then most of them are left to the provinces to enforce. In our province of Quebec we have special legislation covering the protection of migratory birds and game; we have also our own game keepers appointed under provincial laws, to enforce our legislation. According to the proposed measure, members of the Royal Canadian Mounted Police are to be made game wardens. The result will be, for instance, if a mounted police officer, appointed under this legislation as a game warden, sees at a railway station or a wharf, some game, he will bring the offender before a police court magistrate. Then the court will be open to receive a writ of certiorari, and a writ of summons and a petition declaring a statement of claim that the legislation that is being passed this afternoon should be declared ultra vires.

Mr. GUTHRIE: This bill does not propose to interfere in any way with the local game laws of any province or with the enforcement of those laws. The only proposal in this bill is to change the nature of the inspectors from civilians who have been appointed heretofore to members of the Royal Canadian Mounted Police.

Mr. STEWART (Edmonton): I gathered from the minister's remarks that those police officers were not to be magistrates, but I see section 2 reads:

Subsection one of section 5 of the said act is amended by adding at the end thereof the following words:

"All members of the Royal Canadian Mounted Police shall, for the purpose of this act, be ex officio game officers."

I see that section 5, subsection one, at present reads as follows:

The minister may appoint game officers for carrying out this act and the regulations, and may authorize such game officers to exercise the powers of a justice of the peace or the powers of a police constable.

Mr. GUTHRIE: Those are the ones appointed in that way. I made the same mistake

as my hon. friend has made. Those were game wardens appointed under the act as it stood:

The minister may appoint game officers for carrying out this act and the regulations, and may authorize such game officers to exercise the powers of a justice of the peace or the powers of a police constable.

The mounted police are not appointed by the minister. They are appointed, according to the amendment, as follows:

All members of the Royal Canadian Mounted Police shall, for the purpose of this act, be ex officio game officers.

Consequently they will not be justices of the peace.

Mr. ILSLEY: I should like to ask the Minister of the Interior what the relations will be between the chief migratory game officer and the members of the Royal Canadian Mounted Police. In the maritime provinces, for example, there is a chief migratory game officer, Mr. Robie Tufts, of Wolfville, Nova Scotia, and in that province there are some 150 members of the mounted police who are under the control of the Department of Justice. Will Mr. Tufts have authority to select any one or more of the members of the mounted police and direct them to go into particular locations, watch for offenders and lay charges? In other words, are they to be under his direction? If so, have you not officials who are controlled by the Department of Justice under the authority of superior officers who are controlled by the Department of the Interior? Perhaps the minister could explain that.

Mr. MURPHY: I do not anticipate any difficulty on that score because we have in the western provinces an official of the department in the person of Mr. Munro who exercises the same powers as does Mr. Tufts in Nova Scotia. We have also in the person of Mr. Lewis at Ottawa a permanent migratory bird warden who exercises for the provinces of Ontario and Quebec the same powers as do these other two men. These men simply cooperate with the police force, whatever it may be, in enforcing the regulations in regard to illegal shooting. There should therefore be no difficulty in the matter. The chief officer of the Royal Canadian Mounted Police and Mr. Tufts will no doubt work in close cooperation, and Mr. Tufts from his long experience will be able to advise that officer as to the steps which should be taken to protect those birds. But as regards the mounted police taking orders, certainly they will take their orders as such from their superior officer in the Royal Canadian Mounted Police.

Mr. ILSLEY: It seems to me that is going to interfere with the administration of the act.

Mr. MURPHY: It does not.

Mr. ILSLEY: It is very important that the chief migratory game officer should have a deciding voice as to what information should be laid and what prosecution should be undertaken. By this legislation his powers are taken away from him. If this is to be the effect; if he has cooperating with him and not working under him officers who are charged with the duty of apprehending offenders and laying informations and yet he has not any power over those officers, then you are going to have a division of responsibility which does not make for good enforcement of the act. I do not know anything about conditions in the other provinces, but this is very important in the maritimes and perhaps more important in Prince Edward Island than in Nova Scotia. I am not sure whether Prince Edward Island is policed by the Royal Canadian Mounted Police.

Mr. GUTHRIE: Yes, it is.

Mr. ILSLEY: Well, the same condition will arise there. I am of opinion that the enforcement of the act will not be as effective with the Royal Canadian Mounted Police not subject to the authority of the chief migratory game officer for the district as it is under the present system. In my own province the chief migratory bird officer is an enthusiast and he commands the respect of everybody who knows anything about the enforcement of the act. He knows from experience the sort of men who will work efficiently under him, and he has built up an efficient staff which now is going to be taken away from him entirely, and instead he is to be supplied with certain officers of another department over which he has no actual authority, and he is going to be charged with the administration of the act in his district. It seems to me that this change will not make for efficiency.

Mr. GOTT: I should like to make a brief observation to the house, and that is that if there were a few more game conservationists throughout Canada of the kind found in my riding you could dispense with all your Royal Canadian Mounted Police officers and all your game wardens. It is in the county which I have the honour to represent that Jack Miner has established his bird sanctuary, and I challenge all the representatives in this house to show that all your game wardens

and all your mounted police officers can protect more birds than Jack Miner does in his sanctuary.

Mr. MERCIER (St. Henri): Has the Minister of Justice received any objection from the attorney general of the province of Quebec to the passing of this act.

Mr. GUTHRIE: No, none whatever.

Mr. HOWDEN: It is very convenient sometimes not to have a legal mind. Personally I am not very much concerned over the legal aspects of this bill. I think myself that the bill is a decided step forward, and the only thing the matter with it so far as I can see is that it does not include non-migratory birds as well as migratory.

Mr. MURPHY: They are under provincial law.

Mr. HOWDEN: So much the better. I come from a province which boasts one of the finest game birds in the world, the prairie grouse.

Mr. ERNST: The prairie grouch?

Mr. HOWDEN: I do not believe there is any better game bird in Canada than our prairie chicken in the fall, but I regret to say that we have had on two or three occasions to close the season for grouse hunting for a period of several years because the birds have become so depleted. I honestly believe that the depletion was not caused by legal hunting, but because certain citizens of Manitoba insisted on shooting the birds in season and out of season all the year round. To a very large extent the rural citizens in certain districts of Manitoba—and I do not blame them so much because they feed the birds—shoot the prairie chicken twelve months in the year. As is well known, the mounted police have the habit of going out and getting their man which the old game wardens did not have, and I think it is a mighty fine thing to have the mounted police on the trail of the offender under this act.

Section agreed to.

On the preamble.

Mr. CHEVRIER: Has section four been passed, Mr. Chairman?

The CHAIRMAN: Yes, it was passed the other day.

Mr. CHEVRIER: In this privileged corner of the house one can hardly hear what is going on because the proceedings are often conducted in an undertone. If section four has been passed, I am very sorry because I intended to make certain remarks upon it.

The CHAIRMAN: The section was passed the other day, but if the committee has no objection the hon. member may speak on the preamble.

Preamble agreed to.

Bill reported, read the third time and passed.

## INDIAN ACT AMENDMENT

Hon. T. G. MURPHY (Minister of the Interior) moved the second reading of Bill No. 21, to amend the Indian Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1.—Truant officers.

Mr. MACKENZIE (Vancouver): Would the minister explain this section?

Mr. MURPHY: As the hon. member doubtless knows, we have both residential and day schools established on the reserves throughout Canada for the purpose of educating Indian children. The services of a truancy officer are not required to any great extent, if at all, for the residential schools, but in the case of the day schools the services of a truancy officer are sometimes required. On some of the reserves we have special constables who perform this duty among their other duties, but on other reserves there are no such special officers, and it has been the custom in the past to appoint members of the mounted police for this duty. This section simply blankets in the force to carry out this duty wherever their services may be required.

Mr. MACKENZIE (Vancouver): Would the minister explain what the powers of a truancy officer are as defined in the section?

Mr. MURPHY: Subsection 3 of section 10 of the act reads:

> The Superintendent General may appoint any officer or person to be a truant officer to enforce the attendance of Indian children at school, and for such purpose a truant officer shall be vested with the powers of a peace officer, and shall have authority to enter any place where he has reason to believe there are Indian children between the ages of seven and fifteen years, and when requested by the Indian agent, a school teacher or the chief of a band shall examine into any case of truancy, shall warn the truants, their parents or guardians or the person with whom any Indian child resides, of the conse-

quences of truancy, and notify the parent, guardian or such person in writing to cause the child to attend school.

Mr. STEWART (Edmonton): Evidently this section is directed towards day school attendance?

Mr. MURPHY: Yes.

Mr. STEWART (Edmonton): Has the minister considered the objection there might be towards having a uniformed mounted police officer going to an Indian home to ascertain whether or not the children have been detained by action of the parents? I am inclined to believe that the proposed section is drastic?

Mr. MURPHY: In years past mounted police officers have performed those duties in various places. As I said a moment ago, on certain reserves we have special constables, but on others we have not those constables, and in such cases need the services of some officer. I must say the phase of the matter to which the hon. member has referred did occur to me in connection with the proposed amendment. My view however was that for years past mounted police officers have been performing very wide duties, and enforcing many laws throughout Canada. I cannot conceive that the sight of a mounted police uniform, one which must be familiar to the eyes of all Canadians including Indians, would raise any undue alarm in the breasts of those people.

Mr. MACKENZIE (Vancouver): Is it the intention of the government to formulate a similar provision with regard to the Doukhobor children who refuse to attend school?

Mr. GUTHRIE: That is a hard nut to crack.

Mr. MURPHY: The enforcement of attendance of white children rests with the provincial authorities.

Mr. BRADETTE: I know of reserves in the provinces of Ontario and Quebec where they have their own school boards. I believe that condition applies at Caughnawaga, and at some points in Ontario. It may be that the proposed change will conflict with local laws, because if I understand school legislation properly, and more particularly in connection with the province of Ontario, the school board has power to appoint truant officers, and the same legislation would apply to reserves. I do not suppose it applies at points such as Caughnawaga where there are only Indians, and where there may be no school boards. In the older reserves, however, it is my information that there are school boards, and that those bodies have the power to appoint truant officers. What provision is to be made in such cases?

Mr. MURPHY: If the children are attending school there will be no difficulty.

Mr. POULIOT: Is it proper to teach children to have no respect for authority?

Mr. STEWART (Edmonton): I am quite well aware that this matter has given the department some considerable worry. The fact that on the one hand school teachers are paid, schools established, and on the other that parents connive to prevent the attendance of their children at school, must present real difficulty. The only question which arises in my mind is one concerning the advisability of uniformed officers performing the duties of truant officers. I can well imagine that in some instances where they perform special duties, they might do so without difficulty. I am doubtful however as to the advisability of this measure, and while it may be necessary to send mounted police officers to reserves to enforce laws, the matter now under discussion is of a somewhat different nature. I do not know what the experience of the minister has been, but my experience in the administration of the act was that the fault was usually that of the parents, and never that of the child. The parents keep their children away from school, a difficulty which does not arise in connection with boarding schools, but arises in connection with day school attendance. I believe it is inadvisable to use Royal Canadian Mounted Police officers for the performance of these rather petty duties.

Mr. GUTHRIE: It was represented to me by officials of the department that for the last ten or fifteen years it has been the custom of the Department of Indian Affairs, in connection with attendance at day schools, to appoint the member of the mounted police who happened to be in that neighbourhood, or nearest to it. I presume that practice was adopted for the purpose of saving money.

Mr. STEWART (Edmonton): Mounted police officers are not on the reserves, unless sent for special duties.

Mr. GUTHRIE: I referred to the officer nearest at hand.

Mr. STEWART (Edmonton): They have been on the Six Nations reserve, at the request of the minister.

Mr. GUTHRIE: I believe when the hon. member was in charge of the department police officers visited the reserves. The police are changed from time to time, as they are moved around. To get rid of the difficulty of swearing in a new man as a truant officer it was proposed to insert a general clause in the act allowing any officer to act as a truant officer. I am informed that in some districts there are truant officers who are not members of the mounted police force, but are acting in the capacity of special constables. It has been represented that the proposed change would have the effect of saving some money, and would make general a practice which has been developing throughout the last ten or fifteen years.

Mr. LAVERGNE: I have high respect for the Royal Canadian Mounted Police, a body of men of which we ought to be proud. I feel however that if the present legislation were passed we would be encroaching upon provincial rights, and would be going beyond the provisions of section 93 of the British North America Act, which provides:

In and for each province the legislature may exclusively make laws in relation to education.

And so on. That is the principle of the section. The people in any province are subject to the provincial laws concerning education. I may be wrong, but I am taking this opportunity of placing my views before the committee. If I am wrong, so much the better. In the province of Quebec there is a Huron reserve, in connection with which there is a school commissioner and a school board. Rightly or wrongly—and I think rightly—in that province we are opposed to compulsory education. A truant officer or a Royal Canadian Mounted Police constable could, under the proposed legislation, enter one of our reserves and enforce compulsory education, contrary to the laws of our province. For that reason I believe we are on dangerous ground. There is but one matter in connection with education left to federal power, and that pertains to the rights of minorities. It would seem that that section of the British North America Act has been forgotten on many occasions. It is my view that making a Royal Canadian Mounted Police constable a truant officer, and conferring upon him special power concerning Indians, is encroaching upon a matter which should be left entirely in the hands of provincial authorities. The British North America Act is an imperial statute and is supreme; in this committee we are bound to respect every clause of it. In a matter of school rights, which, by our constitution, are left entirely within the control of the provinces, we should be very careful before interfering or extending further authority to Royal Canadian Mounted Police or other truant officers. The bill before us relates only to Indians, but in the light of section 93 of the British North America Act I doubt very much, if we have any authority to create truant officers to act in any province against the laws of that province. I ask the committee to be very careful before making a definite decision.

Mr. POULIOT: I should like to support every word that has been said by my hon. friend from Montmagny. This is not only a matter of school rights; it is also a matter of the rights of parents, and as a French-Canadian I am rather afraid. If my hon. friend from Long Lake (Mr. Cowan) were Minister of the Interior, for instance, would he consider the French-Canadians as Indians? Would we be looked after by the Royal Canadian Mounted Police? I have been arguing for liberty. I have great respect for my good friend the Minister of the Interior and also for my friend the Minister of Justice; I should be very sorry to be unpleasant to them, but the rights of the provinces must be respected, and the rights of individuals must be respected as well. I wonder if we are taking the right course now. The Royal Canadian Mounted Police are looking after migratory birds; now they are to look after the Indians. What will be next?

I would suggest that legislation of this kind is nonsensical at this stage of the session. We are here to deal with the problems which concern the nation, but this question does not interest the nation. We are wasting our time discussing it, but we have to discuss it in order to defend the rights and privileges of our Canadian citizens. The Indians were the first inhabitants of this country. They do not have the right to vote, but they are fellow citizens. I think it is a very bad thing to open the door through which our liberties may disappear. To-day it is the Indians; what will come next? That is the whole question.

Mr. LAVERGNE: Riviere du Loup station.

Mr. POULIOT: I am glad to say that the Riviere du Loup station has been fixed, and well fixed. I only suggest to the minister, who is an able man, that he should not pay too much attention to suggested legislation submitted to him by people who like to split hairs. There are people in the country suffering from hunger; our farmers cannot sell

their products. Let us deal with those questions. The other day the hon. member for Brome-Missisquoi (Mr. Pickel) dealt very courageously with the condition in which agriculture finds itself.

Mr. MURPHY: Perhaps my hon. friend will pardon me; there seems to be some objection to this clause, so perhaps we might let it stand and proceed to something else not quite so controversial.

Section stands.

Section 2 agreed to.

On section 3—Consent of agent required for sale or barter.

Mr. BRADETTE: I should like to ask the minister if in these cases the property belongs to the government or whether the ownership is vested in the Indian.

Mr. MURPHY: Without expressing a dogmatic opinion on the point, Mr. Chairman, in my opinion the ownership would remain with the Indian, although I must say that the department does sell the Indian's crop for him. He is not allowed to do it himself without a permit from the department, but the proceeds of the sale inure to the Indian concerned.

Mr. McGIBBON: Would the minister be good enough to tell us if the agent has the final say as to price?

Mr. MURPHY: Yes, as a matter of practice, but any matter can be submitted to the department for final decision by the Superintendent General. As a matter of practice the prices are usually determined by the Indian agent.

Mr. McGIBBON: Do the Indians know they have that right of appeal to the department?

Mr. MURPHY: I must say that, generally speaking, they are pretty well advised as to their privileges.

Mr. STEWART (Edmonton): The only change I see in the section is that now you are going to hold the Indian liable as well as the purchaser.

Mr. MURPHY: That is correct.

Mr. STEWART (Edmonton): You are not taking away the right of the Indians to barter one with another.

Mr. MURPHY: Not under this section.

Mr. STEWART (Edmonton): Have you had any difficulty in this connection, with the Indian going off the reserve to sell his produce.

Mr. MURPHY: Yes, that has been brought to the attention of the department on quite a number of occasions.

Mr. BRADETTE: In this section I see the words "shall sell or otherwise dispose of to anyone other than a member of the band." I believe there may be some difference of opinion as to the meaning of the word "band." How would the department define the word? Would it include the member of another tribe who married into the tribe concerned? Is there any distinct definition?

Mr. MURPHY: The word "band" is defined in the act, and if my hon. friend desires me to do so I will be glad to read the definition.

Mr. CASGRAIN: Have complaints been received with regard to the administration of the act as it stands at present? Has there been trouble through sales made by the Indians?

Mr. MURPHY: Yes.

Mr. CASGRAIN: Has the minister any complaints before him at the moment?

Mr. MURPHY: I cannot give my hon. friend any specific instances at present, but I have been informed by officials of the department that Indians, knowing of these restrictions, have taken their grain or cattle from the reserve to other places to be sold in contravention of the act. Under the terms of the act as it has been in force, only the person who made the purchase was liable and there was no penalty for the Indian who committed the offence, although he was well aware of the offence he was committing, and in some cases was more familiar with the restrictions than was the person making the purchase. By this amendment we are simply making the Indian liable for the offence as well as the person who purchases from him.

Mr. CASGRAIN: These amendments seem to affect only the provinces of Manitoba, Alberta and Saskatchewan, and the territories. Are there any restrictions similar to these in the province of Quebec, or have any complaints been received from the province of Quebec?

Mr. MURPHY: As I told my hon. friend a moment ago, I cannot give him specific cases at the moment, but most of the agricultural reserves, if one might use that term, are located in the prairie provinces. If memory serves me correctly the majority of complaints that have reached the department have emanated from those provinces.

Mr. CASGRAIN: The minister does not recall any coming from the east?

Mr. MURPHY: Not to my knowledge, though there may have been some.

Mr. HOWDEN: I should like to ask a question about ownership by individual Indians. It has always been my impression that animals, implements and so on placed with the band by the government belong to the band as a band and do not become the property of any individual Indian.

Mr. MURPHY: I am speaking without the advice of my official, but in regard to ownership of cattle which have been purchased from time to time either by the government from parliamentary appropriations or from band funds, I am not certain in the first instance as to where the ownership rightfully belongs. But I can tell my hon. friend this, that when cattle, placed in charge of the individual Indian, are sold the proceeds go to the individual Indian.

Mr. DUPUIS: I notice that section 3 of the bill provides for an amendment to the act concerning sale of cattle, whereas section 4 relates to the sale of grains, roots and crops; then section 9 provides for a penalty. As the minister explained it, this affects only the western provinces. May I call to the attention of the minister the reverse aspect of that. I am ready to admit that this amendment is an improvement in this respect, that the Indian will be liable to punishment if he sells his cattle or crops without the permit of the agent, but there is no provision of the Indian Act for any penalty or responsibility when the Indian buys from white people. For instance, an Indian may buy an automobile or whatever he likes, and as the hon. minister said a few minutes ago he is quite conversant with his irresponsibility, he laughs at his creditors. It goes further than that. I have a reverse in my riding, at Caughnawaga. As a matter of fact the majority of the Indians are good citizens, honest, industrious and very skilful in certain kinds of work; but, as in any other community, a certain number being familiar with and taking advantage of their impunity under the law do injury to the whole community. I suggest that where Indians take advantage of their irresponsibility the law should require them to pay for whatever they buy or whatever damage they cause. I have in mind an instance of an Indian farm with, of course, no fences or ditches around it, situated in the neighbourhood of the property of a citizen of the parish of St. Constant. If cattle happen to pass from one farm to another an animal may be seized by the Indian and sold for his own use. If the owner of the animal takes action against the Indian and tries to execute his judgment he is just laughed at; the Indian is not responsible! If we apply to the department the department answers,—very rightly, because the law is so construed:—We have nothing to do with that. So the irresponsibility of the Indian under the law is abused by those on the reserve who do not respect the law at all.

In summing up my remarks I would like to know from the hon. minister if it would not be advisable to insert in the act a section covering such cases.

Mr. MURPHY: As to the responsibility of Indians generally for debts contracted in the ordinary course of business, I would imagine that all merchants and others having dealings with Indians are fully aware that in selling to an Indian on credit they are taking long chances. In other words, the Indian is considered as a minor, a ward, and the only method I can conceive of whereby that particular Indian could be made responsible for his debts would be to enfranchise him and make him a citizen, in which case he would be amenable to the laws and subject to be sued in court.

As to the other point, the straying of animals on reserves, there is provision in the Indian Act whereby such animals should be impounded, as they are in any other locality, and after due advertisement sold. I cannot conceive of an Indian, merely because an animal has strayed on the reserve, selling that animal and using the proceeds, without being subject to procedure in the courts.

Mr. DUPUIS: That is the fact.

Mr. MURPHY: I cannot argue the legal aspect, I am not a lawyer, but I think that would be only common sense and I believe good law.

Mr. DUPUIS: In answer to the argument of the hon. minister, when he compares the Indian to a minor, if the law so regards him the comparison should be continued. An individual who is a minor has a guardian and if the minor does something wrong the father or guardian is responsible for his act. But in the case of the Indian the Department of Indian Affairs takes no responsibility for the mischief the Indian does. So I believe there is something wrong. Then the hon. minister says that people in general must know that when they deal with an Indian they deal at their own risk. As the minister knows, these Indians do not always stay upon the reserves. They come to Montreal or to Laprairie and

it is hard to tell them from white men. Many of them own automobiles, they obtain licences and go driving through the country and when an accident occurs they attempt to escape liability by saying to the injured party, "I am not responsible, I am a minor."

Mr. BURY: So does a minor.

Mr. DUPUIS: That is the answer given to many who suffer injuries in collisions with the cars of these Indians. The extent of the damages may amount to two or three thousand dollars, it may be that even a death occurs, but they attempt to escape liability in this manner. I must say that many of these Indians will try to cover any damages which might occur, but there are some of them who try to escape. I do not think that the Indians or the Department of Indian Affairs should be above the law in such matters.

Mr. McGIBBON: I endorse what the hon. member has just said. I do not see why a colour line should be drawn; I see no reason why certain Indians should not be given the franchise. Many of them are very intelligent, many conduct different kinds of businesses. Those who fought in the war were enfranchised but in many cases they have brothers and sisters who are just as intelligent and as ambitious as they are. I suggest to the minister that he consider seriously the enfranchising of those Indians who are capable of exercising their rights. There are two bands in my riding made up of intelligent and industrious people. They follow different lines of occupation and yet they are treated as minors or wards of the government. I remember very distinctly one bright boy coming to me and telling me how he was handicapped because he was an Indian. He was very ambitious and had saved enough money to buy a motor car, but he found he could get no work to do. When he applied for work he was told that as the work available was for relief purposes and as he was a ward of the government he could not be given anything to do. He was very ambitious and ready and willing to work, yet he could obtain nothing. Providing an Indian has the necessary intelligence, I think he should be given the rights of citizenship. I suggest that many white men are not capable of exercising their rights, and I think an effort should be made to see if we cannot make a better citizen out of the Indian.

There is another matter I should like to take up with the minister, although it may not be exactly germane to the present discussion. I think the department should exercise greater care over the health of the Indian. I am told that throughout the northern parts of Ontario tuberculosis is sweeping the Indians into eternity by the hundreds. A doctor visits these Indians once a year, he leaves certain medical supplies but in the meantime they have to doctor themselves just as they have to feed themselves. As long as they remain wards of the government, the government has a responsibility which should be exercised in as humane a way as possible.

Mr. MURPHY: I might mention that section 7 deals with the enfranchisement of Indians.

Mr. MERCIER (St. Henri): I hope the minister is going to give the committee an explanation in connection with the payment of debts by Indians. A man came into my office last week who had sold a horse to an Indian for $150. He could not obtain payment and had obtained a judgment to get the horse back. He had had to pay his own costs and found he was unable to regain possession of the animal. He wanted to know if he had to lose everything or if the department would not interfere.

Mr. MURPHY: For the information of the hon. member I would direct his attention to section 105 of the act, which reads:

> No person shall take any security or otherwise obtain any lien or charge, whether by mortgage, judgment or otherwise upon real or personal property of any Indian or non-treaty Indian, except on real or personal property subject to taxation under the last three preceding sections: Provided that any person selling any article to an Indian or non-treaty Indian may take security on such article for any part of the price thereof which is unpaid.

As I read the act, any person selling a binder, a horse, a pig or any chattel to an Indian has a right to take a lien upon that property in order to satisfy his just debt.

Mr. MERCIER (St. Henri): Does that mean that the lien must be registered with the department?

Mr. MURPHY: No.

Mr. POULIOT (Translation): Mr. Chairman, I do not meddle much in the affairs of other counties; however, as the hon. member for Quebec-Montmorency (Mr. Dorion), has previously made inquiries in connection with the post offices of Témiscouata, he will no doubt be pleased by my inquiries in connection with the distribution of patronage in his constituency which have reference to purchases made for Indians. The following is what seems to have transpired:

> You must, no doubt, be aware that the government, in these hard times, grants to the Indians of Notre-Dame-de-Lorette, as a sustenance allowance for their families . . .

Mr. CHAIRMAN (Translation): I think the hon. member is drifting away from the subject.

Mr. POULIOT (Translation): Mr. Chairman, may I state that this article refers to the sale—

Mr. CHAIRMAN (Translation): I am aware that it is a question of sale, however, it has no connection with the assistance granted by the Department of Indian Affairs, it simply is a question of sale between Indians and between white people and Indians.

Mr. POULIOT (Translation): The Indians sold scrips or orders in that locality and now the system has been changed. The section refers to sales which take place on Indian reserves, and I am, at present, discussing the sale made on a reserve.

Mr. CHAIRMAN (Translation): The hon. member will have an opportunity of discussing this question when the house considers the estimates of the Department of Indian Affairs or the administration of the funds set aside for Indians. I do not wish to appear discourteous to the hon. member, but I do not think that the discussion is in order, so far as section 3 is concerned.

Mr. POULIOT (Translation): Mr. Chairman, section 3 reads as follows:

> Section forty of the said act, as enacted by section five of chapter twenty-five of the statutes of 1930, is repealed and the following is substituted therefor:—
>
> No person shall buy or otherwise acquire from any band or irregular band of Indians or from any Indian and no Indian shall sell or otherwise dispose of to any one other than a member of the band, any cattle or other animals of any kind from any reserve in the province of Manitoba, Saskatchewan or Alberta or the territories without the written consent of the Indian agent.

The following is an explanation of sections 3 and 4.

Mr. CHAIRMAN (Translation): Section 3 cannot cover a case which may have occurred on the Huron reserve of Quebec-Montmorency; according to the strict wording of section 3, this only refers to the provinces of Manitoba, Saskatchewan, Alberta, and to the Territories.

Mr. POULIOT (Translation): The letter which I wish to read contains also strict wording—

Mr. CHAIRMAN (Translation): I think the hon. member might postpone his remarks until the estimates of this department are brought down.

[Mr. Pouliot.]

Mr. POULIOT (Translation): I am very sorry indeed, I thought that it would interest you, sir.

Mr. CHAIRMAN (Translation): It does.

Mr. BRADETTE: I fully appreciate the second clause in that section of the act, but it seems to me it is a little too restrictive; the conditions of marketing are too strictly defined. I am referring to the fact that the federal government is assisting in connection with stock raising and so forth. There is no doubt that in some sections of the country the Indians of these reserves are increasing production. According to the spirit of the act they are supposed to offer their produce only to their own band. Now, with overproduction they have the same problem that confronts the white man. The white man has to sell his surplus to the outside world and the same principle applies to the Indian. How can this be accomplished if the Indians are not permitted to sell to anyone except their own people?

Mr. MURPHY: The hon. member is, I think, in error in what he is stating. There is nothing to prevent an Indian, whether on an agricultural reserve or any other type of reserve, from selling any of his produce if he has a surplus. All he has to do is to apply to the agent for a permit or ask the agent to sell the goods for him, and this will be done.

Mr. REID: I think it was last year I brought to the attention of the minister a question of the responsibility of the government in regard to Indians who own motor cars. This is a very serious matter. As the minister well knows, the Indians have forsaken the cayuse and are using four-wheel chariots. I have under my hand the report of a case where a man, his wife and four of his family were almost killed through the recklessness of Indians driving a motor car. It is true those Indians had been using some loganberry wine before setting out. They were later taken before the court, one of them being sent to gaol and the other fined. At the present time, at least in British Columbia, before one is allowed to drive an automobile, he has to have a driver's licence and a licence for his car.

The CHAIRMAN: I do not think the hon. gentleman is speaking to the question before the committee.

Mr. REID: That is true; the clause before the committee does not deal with the subject I have introduced, but there is not in the

bill any clause dealing with it specifically, and another hon. member speaking before I did, raised a similar question.

Mr. MACKENZIE (Vancouver): The second reading of the bill was dispensed with especially in order that its general principles might be discussed as well, in committee.

The CHAIRMAN: I am not aware of that. I am only aware of the rules and regulations of the house.

Mr. REID: I believe I am quite in order.

The CHAIRMAN: The hon. member can bring this question up when we go into supply. It does not come under the act.

Mr. REID: I am suggesting that some regulation be put into the act.

The CHAIRMAN: The hon. member is speaking of a specific case in British Columbia. This clause applies only to Manitoba, Saskatchewan or Alberta or the territories.

Mr. REID: It applies to wards of the government and certain actions of Indians as such.

The CHAIRMAN: The committee must adhere to the rules and regulations, otherwise we shall not make progress.

Mr. MACKENZIE (Vancouver): In connection with the last two bills, second reading was dispensed with so that members would be entitled to discuss any feature of the Indian Act.

Mr. GUTHRIE: That is not quite right. On the second reading, the principle of the bill is discussed, not the details.

The CHAIRMAN: On the second reading, the principle of the bill may be discussed. On the third reading, my hon. friend is entitled to introduce any amendment he wishes and to discuss the question he desires to bring before the house, but he cannot disregard the rule that discussion in committee is limited to the clause under review. The discussion must be relevant to the item before the committee.

Mr. MACKENZIE (Vancouver): Surely the principle of the bill is the regulation of Indians who are wards of the state and any question may be asked of the minister in regard to the regulation of those wards. My hon. friend is bringing up a very important and material point in regard to wards of the state. Surely you are not going to eliminate discussion in regard to that.

The CHAIRMAN: My hon. friend is quite right, but he knows very well that in committee discussion must be strictly relevant to the section under review. If no section before the committee covers the point which the hon. member wishes to raise, he can, on third reading, bring in an amendment to add what he considers is lacking or discuss the bill when it is being finally passed.

Mr. MACKENZIE (Vancouver): We are on section 3 and I find in this section clause 40 where reference is made to an irregular band of Indians. My hon. friend was referring to just that very thing—Indians who are irregular in their habits. Therefore I think he is in order in bringing up the matter.

The CHAIRMAN: If my hon. friend will read further, he will see that it refers to the province of Manitoba, Saskatchewan or Alberta or the territories.

Mr. REID: I am willing to bow to your ruling, but an hon. member who preceded me brought up a similar question.

The CHAIRMAN: And I stopped him and referred to section 7. So far as I am concerned, I am in the hands of the committee.

Mr. MURPHY: I have no objection to the hon. member making the remarks he wishes.

Mr. REID: I am glad I have the indulgence of the minister as well as of the chairman. This is a very serious matter in some districts. As I say, I have before me the report of a case where a man, his wife and family were almost killed through Indians who had been using some loganberry wine which perhaps was too strong. While they were driving along at a reckless speed, they ran into this man's car. They were arrested, one being sent to gaol for sixty days and the other fined. At present in British Columbia an ordinary citizen, before he is permitted to drive a car, must have a driver's licence and also a licence for the car itself. But an Indian may purchase a car, either outright or on time, and he is let loose, so to speak, throughout the country. He knows he is a ward of the government. Under our laws it is true that the ordinary citizen may drive a car on the public streets without its being insured. If his car is in an accident he cannot run it again until he takes out insurance fully protecting the public. It is not so with the Indian. He may have as many accidents and cause as much injury as he likes, and nothing can be done against him because he is a ward of the government, so long as the government does not allow the injured party to sue. As the Indian is the

ward of the government I believe the government should be responsible for the actions of its wards, just as a father is responsible for the actions of his minor children. But if the government cannot see its way to making such an enactment, it at least should be provided that after an accident the agent should be empowered to refuse the Indian the right to use his car again on the highway. The minister last year said that he would give this matter some consideration, and I would ask him now if he has done so, and whether he has in contemplation regulations to protect the public against the recklessness of Indians.

Mr. MURPHY: As the hon. member has stated, he did draw this question to my attention some months ago, but I think he is in error when he states that an Indian can drive a motor car on the public highways without a licence. He may drive it on the reserve without a car licence or a driver's licence, but once he leaves the reserve, unless I am greatly mistaken, it is necessary for him to take out a car licence and a driver's licence.

The hon. member also raises the point of the Indian being an irresponsible party in case of a motor car accident, and he suggests that there should be some provision whereby the Indian would be held responsible. May I draw attention to the fact that there are many white people driving cars to-day who, if they are involved in an accident with their car, have no property which can be seized in case of a judgment against them not being settled. They are in just the same position as the Indian in that respect.

Mr. REID: Not quite.

Mr. NEILL: The white man has to have car insurance.

Mr. MURPHY: In some cases, but not in all.

Mr. STEWART (Edmonton): As a matter of fact, the Indian comes under the provincial law the moment he leaves the reserve.

Mr. REID: The white man can only have an accident once without taking out insurance, but an Indian can have accidents repeatedly.

Mr. MURPHY: Not off the reserve, because the provincial authorities would have the right to refuse him a licence for his car and a driver's licence, and in that way the Indian could be made amenable to the provincial law. So I think the hon. member is wrong in his contention.

Mr. NEILL: Might I explain that? The white man is, like a dog, entitled to only one bite. In British Columbia, for instance, I think the white man is allowed to have only one accident before taking out insurance fully protecting the public. The people in British Columbia at any rate have recognized that they must protect the public against these accidents caused by irresponsible people. While the law as it stands is good so far as the white man is concerned, I think it should be amended to make it even more strict so that a man cannot cause an acident with his car once without the public being fully protected against damages. As it stands now, the white man must satisfy a judgment against him before he can run his car again. That is the inducement to take out insurance. More than that, he has not only to pay the judgment against him, but he cannot run his car again until he puts up a sum of money or takes out an insurance policy guaranteeing that he will be good for any future accidents in which his car may be involved. Where the law is lacking is that it should have in it this insurance principle to begin with. A man may be running a motor truck for his livelihood, and because he is involved in an accident he is deprived of his livelihood by a judgment, say, of five or six thousand dollars, which he will never be able to pay very probably, and he is thereby deprived of ever running a car again. Even where he is able to pay the judgment, he has to take out insurance.

While the minister is probably correct in saying that once the Indian leaves the reserve he comes under the provincial law as to driver's licence, car licence, and so forth, he is not responsible financially. In my own home town a white man was very badly injured in a motor accident by an Indian, and under ordinary conditions he would have got a judgment of perhaps two thousand dollars against a white man, but he did not get a cent because the man was an Indian. Now that Indian is not going to be warned by that accident, because he did not suffer in any way, and he can go out and do the same thing to-morrow. We want to see the Indian put on the same basis as the white man in regard to responsibility. In British Columbia at least, and I understand that Ontario is following very much along the same lines, we are guaranteeing the general public against serious material loss caused by irresponsible or careless drivers, but when it comes to the Indian we are absolutely hopeless and helpless.

Mr. MURPHY: With the general remarks of the hon. member I am rather in agreement, but I do not quite agree with him in his conclusion that there is nothing to prevent the Indian who has had one accident from

going out again and having another. The granting of the car licence and the driver's licence rests with the provincial government, and if the Indian is not considered by the provincial authorities a responsible party to put in control of a motor vehicle, all they have to do is to deprive him of his licence, and he is thereby deprived of the right to drive his car on the highways of the province. I think, therefore, the hon. member is wrong in his contention.

Mr. NEILL: But the civil law does not exist for the Indian, and that is the trouble. A man may cause serious damage with his car and yet not be deprived of his licence, and in the case of the Indian you have no recourse against him under the civil law. The civil law is taken away so far as the Indian is concerned.

Mr. COWAN (Port Arthur): I have not heard the whole discussion but I have not yet heard any explanation of the limitation in this section. Why is it confined to the reserves in Manitoba, Saskatchewan, Alberta and the territories? Why does not this provision apply to the other provinces in which there are reserves?

Mr. MURPHY: When this clause was first drafted, if my information is correct, it was drawn with particular reference to those provinces because it has been the policy of the department for a number of years to encourage the Indians in the western provinces named in this section to establish themselves by cultivating the land. It is there that the Indian who formerly obtained his livelihood through the chase, or by other means, has been induced to take up the arts of agriculture, and in order to protect him during this process of transition from a nomadic state to that of a farmer it has been considered necessary to protect him in the disposal of his produce. That is the reason why these particular provinces are mentioned in the section.

Mr. DUPUIS: The hon. minister and some hon. members have spoken of the irresponsibility of the Indian in the sale of his produce and in regard to automobile accidents. I am afraid that this discussion will leave the public under a false impression that the Indians are responsible when they are outside the reserve. That is not the fact. But if I am wrong I should be very pleased if the minister would amend the legislation so that it would be absolutely indisputable that an Indian outside the reserve is responsible and that if he causes an accident or if he buys something he comes under the law just the same as the white man, who can be sued and judgment obtained against him. If that is the fact, I should like to hear from the minister, and if not I beg, ask or pray that some amendments be made to the law for the protection of the public.

Mr. MURPHY: I believe the hon. member has read more into my remarks than I had intended to, or in fact did, convey. In no place in the Indian Act is the Indian described as a minor or a ward. I realize that those are terms generally used when speaking of Indians, but at no point in the act are they so described. Under the Indian Act he is described solely as an Indian. In some cases by treaty, and other cases by other means, he is given certain privileges, if they may be so called. Concerning the responsibilities of Indians on reserves, I should like to make some observations. If an Indian who has suit brought against him for damages has property off the reserve, he is in the same position as a white man, but not in cases where his personal property is owned on the reserve.

Mr. LAVERGNE: I have been a lawyer for some time in the province of Quebec, and I believe the hon. member for Laprairie-Napierville is labouring under a mistaken idea. The Indian is under the same responsibility as a white man; he has the same criminal responsibility; he cannot be granted a motor car licence unless that licence be issued by provincial authorities. He is subject to all the traffic regulations and motor laws of his province. If he causes damage, he is responsible. If he has property, his responsibility is the same as that of a white man who has property and causes damage. If he has no property we come to the old French dictum: Là où il n'y a rien le roi perd ses droits: "Where there is nothing the king loses his right." If the Indian owns the automobile, in the event of his causing damage, it can be seized.

Mr. DUPUIS: No.

Mr. LAVERGNE: The hon. member is mistaken. In a case such as he has described the minor, or the Indian who is supposed to be a minor under the law, would be responsible. He is responsible for the damage he causes just the same as any other man would be. The father would be responsible only when he was aware of the minor's action, and when he had such action under his control and did not prevent it. Otherwise there could be no responsibility against a father. The minor must take the responsibility himself, and action could be taken only against him. It is the minor who pays and is respon-

sible for the damage he causes. In the same way a man who sells to an Indian knows very well what he is doing, and if he sells to one who has no goods or no property he must take the risk, in the same way as if he were selling to a white man, or to a minor who cannot contract. Nobody is supposed to ignore the law. But if an Indian has property, or if an object which he sells has a lien against it, under the law he is responsible. Therefore, unless my understanding is incorrect, I do not see how the cases outlined by the hon. members for Laprairie-Napierville and New Westminster can be dealt with by amendments to the Indian Act. Further than that, I believe no amendment to the Indian Act could interfere with the enforcement of provincial traffic or civil laws. Those remedies rest entirely within the control of the provinces. The only action we could take would be to change the statutes pertaining to Indians.

Mr. STEWART (Edmonton): I think Ontario law has gone that far.

Mr. DUPUIS: Ontario law, but not Quebec law.

Mr. LAVERGNE: Yes, and Quebec law. I have had some experience pleading for Indians.

Mr. DUPUIS: If the hon. member for Montmagny would permit me I should like to refer to a case in which the hon. member for St. Hyacinthe-Rouville appeared. I refer to an action which arose from an automobile accident occuring outside a reserve. The client of the hon. member suffered personal injuries and also damage to his car. He tried to sue, but was informed that the Indian was a minor and was not responsible. I believe the department told him he had no recourse. The hon. member for Montmagny has said that the Indian is on the same footing as the white man; in my view he is mistaken. Particularly is that so in the province of Quebec, and I believe his interpretation of the law would be as incorrect in regard to the other Canadian provinces. The stand taken by the Department of Indian Affairs is to the effect that Indians are not responsible. They hold that if an Indian, the owner of property, goes outside a reserve with an automobile and causes damage, but returns to the reserve, he is above the law, and nobody can sue him. To be more accurate, he could be sued, but there could be no execution against him.

Mr. LAVERGNE: I believe the hon. member is wrong in that.

[Mr. LaVergne.]

Mr. DUPUIS: Seizure of the car could be made only when it is outside the reserve. I believe if the hon. member would inquire from the minister he would learn that my information is correct.

Mr. LAVERGNE: I am not quite certain, but I believe that under the act any bailiff can enter a reserve and seize the personal goods of an Indian.

Mr. DUPUIS: No.

Mr. LAVERGNE: That is a matter however which is subject to discussion, and I must say I have heard arguments and have had judgments both ways. I am inclined to believe that if the hon. member for St. Hyacinthe-Rouville had gone to the court and not to the department he would have got redress.

Mr. DUPUIS: I have obtained judgment in court, but could not get execution.

Mr. LAVERGNE: I do not know whether I should blame the Indian, the judge or the lawyer; I am sure however it was not the lawyer. As the hon. member knows, there are some bad judgments handed out. The responsibility of the Indian exists absolutely within the law; he is responsible civilly and criminally. So far as civil responsibility is concerned there is no difference between a white man and an Indian. The point is to know how much of the damage can be repaired. In that case again the Indian is in the same position as the white man who has no money or property, or whose automobile is not paid for. I must close my remarks, because I must not set a bad example by being out of order myself.

Mr. DUPUIS: The hon. member's remarks are most interesting.

Mr. LAVERGNE: I believe the Indian should be enfranchised, and so far as the province of Quebec is concerned, with special reference to Two Mountains, St. Regis and Caughnawaga; I believe they could claim franchise. They are here under special treaty with the King of France. At the time of the conquest they became subject to governmental authority, just the same as the other inhabitants of the country. They are British citizens, just the same as we Canadians of French origin. I understand, however, that many of the Indian bands in the province of Quebec do not want the ballot; they prefer to be wards of the nation. They have certain privileges which they do not want to give up for the fallacy, shall I call it, of the ballot. Of course usually the ballot does good, but sometimes it goes astray. I do

not think we can do anything here to meet the complaints brought up by the hon. member for Laprairie-Napierville and the hon. member for New Westminster. These matters rest entirely with the provinces. If an amendment were passed here certainly it would be ultra vires; it would be encroaching on the rights of the provinces.

Mr. REID: I do not wish to delay the committee, but I should like to ask one question which might clear up a lot of doubt. My information is that an Indian, though he may own property on the reserve, cannot be sued for damages outside the reserve. That is my information, and that always has been my opinion. The Indian can be prosecuted and put in jail, but I understand that he cannot be sued for damages. I should like to ask the minister whether or not that is correct.

Mr. MURPHY: Not being a member of the legal fraternity or a judge I do not know that I am in a position to give a categorical answer to that question. However, my information would lead me to the conclusion that an Indian may be sued, though I am not altogether certain that if a judgment were obtained in favour of the plaintiff it could be enforced. My information is to the effect that if an Indian owns property outside the boundaries of a reserve he is in the same position as a white man. Property within the reserve would be exempt from the enforcement of such a judgment, but if in the opinion of the court such property did not belong to the reserve—a motor car, for instance—it might be seized in execution of the judgment.

Section agreed to.

Section 4 agreed to.

On section 5—Roads.

Mr. STEWART (Edmonton): I should like to ask the minister if this gives the Superintendent General authority to over-ride the Indian council.

Mr. MURPHY: Yes, I think it does.

Mr. STEWART (Edmonton): I have not the act before me, but I thought that in all cases the Superintendent General had power to over-ride the actions of the Indian councils. I just wondered why you should ask for this particular power.

Mr. MURPHY: At present there is nothing in the act which gives the minister any such specific authority, and that is why we are asking for it now.

Mr. STEWART (Edmonton): I was referring to the general authority possessed by the Superintendent General to control the Indians and their councils if the occasion should arise. The only reason I asked the question was because I wondered why this particular case should be specified.

Mr. MURPHY: It was to enable the Superintendent General to deal with any particular case that might come up in connection with the location of a road.

Mr. STEWART (Edmonton): I agree with the principle, but here is the point: I understood that the over-riding clause was general in its application to the whole act; it is an arbitrary right, but I believe it is necessary. My fear is that you will be asked to specify all cases in which this right exists. If you simply take one case and say it is necessary for the Superintendent General to have the authority to over-ride the council with respect to any road or road allowance I am afraid you are weakening his authority generally under the act.

Mr. HOWDEN: I am just a little curious about this section. Why should the Superintendent General have the right to say where a road should go within a reserve, when he probably never sees the reserve and knows nothing about it.

Mr. MURPHY: Of course the Superintendent General would act upon the advice of the surveyor who determined in the first place the proper location for the road. Certainly the minister would avail himself of all possible information before making a decision.

Mr. PERLEY (Qu'Appelle): I am interested in the application of this section, and I should like to preface the question I am about to ask by stating an actual case. In my constituency there are seven reserves, four of which come under what is known as the Crooked Lake agency. Crooked Lake is in a widening of the Qu'Appelle valley; it is about a mile and a half wide and about fifteen miles long. On one side of this lake there is a splendid beach, and many people living in the southeastern part of the province have established cottages at this point. In order to get to their camps they have to cross a portion of the reserve at the west end of the lake. From time to time they have had considerable difficulty with the Indians on the reserve, since they are really trespassers when they cross. Two years ago we presented a petition to the department in an effort to get a road put through the reserve, but on that occasion the Indians refused to consent to the

proposition. I should like to ask the minister whether, under this section, it would be possible to take any action in this respect. There are about thirty camps in this vicinty, and I should like to know whether it would be possible for the government to open a road through the reserve which would give these people access to the beach.

Mr. MURPHY: This amendment was not designed for the purpose of giving the Superintendent General authority, generally speaking, to override the desires of the Indians. It was rather designed for a purpose such as this; suppose it is in the interests of the Indians to locate the road through that reserve. We send a surveyor from the department for the purpose of locating that road, which they themselves are willing to have constructed. The surveyor makes a report to the department as to the proper location of that road. But for some reason a few Indians may object to that location. Their reasons may or may not be well founded. In those cases it is considered by the department that the authority should rest with the Superintendent General, after receiving the best advice he can get, to determine the location of that road.

Before giving a specific answer to the hon. member for Qu'Appelle I would say that any minister charged with the responsibility of conducting Indian affairs would have to give very serious consideration to the question whether he should, in direct opposition to the general wishes of the Indians, place a road through the reserve for the sole benefit, shall we say, of white people. It was not the intention in drafting this amendment to give to the superintendent that power, or to exercise that power in that particular way, but rather to exercise it in the way I have indicated.

Mr. STEWART (Edmonton): I quite agree with everything the minister has said on the case cited by my hon. friend from Qu'Appelle. If agreement could not be secured from the Indians the Superintendent General has authority to do these things. He may not exercise that authority, but it is given him by the act. My only reason for asking about the insertion of this particular clause was to learn why it was taken out of the general provisions of authority and segregated as dealing with roads only. I can cite a number of cases in which this particular question has arisen before. We have had difficulties with the Indian council, who are not in agreement with the provincial authorities usually when these projected highways have to pass through their reserve.

[Mr. E. E. Perley.]

Mr. MURPHY: If my hon. friend will permit me, this is really to deal with roads in reserves for the benefit of the Indians, but not having reference to provincial highways, in respect of which expropriation powers can be exercised.

Mr. STEWART (Edmonton): I thought the Superintendent General had this power. I have not the act before me, but he has very wide powers. My curiosity was aroused to know just why they are asking for this specific power.

Progress reported.

## SUPPLY

### STATEMENT OF MR. NEILL—ALLEGED MALADMINISTRATION IN MARINE DEPARTMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee of supply.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish, before going into supply, to bring to the notice of the house a question of maladministration in a department. I am sorry to see that the minister in charge is not in the house, the Minister of Marine (Mr. Duranleau).

In these days when the government is at its wits' end for money, when cuts have to be made in almost every estimate, and when economy has to be practised to the extent that it almost becomes false economy, it very much becomes the government and the several departments to be particularly careful to prevent anything that savours of waste, uselessness, abuse or graft, to avoid what is called even the appearance of evil. The policy I have adopted in such matters if such have been brought to my attention has been this; I would bring the matter complained of to the attention of the particular minister, and if he took steps to rectify it, to get restitution from the parties concerned if it were a case of money improperly spent, and to check the abuse complained of, I was satisfied with that and the matter went no further. I did not bring it to the floor of the house or the public platform and seek to make political capital of it. Some of the minister's colleagues are aware that I have acted in that way. But, in a case where they refuse to take any action, propose to brazen it out as justified, then I think it is my duty to bring the matter to the attention of the house, not only as a

warning to others but to demonstrate to my constituents that I at least have no part or parcel in the transaction complained of.

Through nearly all these matters of complaint, in my district at any rate, I find running the black thread of the abuse of government patronage; government patronage somewhat crudely manipulated through the agency of a gentleman who is euphemistically described as the government representative in the district of Comox-Alberni, in sharp contrast to the representative of the people, the man they elected to represent them in parliament. This system, or lack of system, is of course entirely subversive of the democratic form of government under which we are supposed to live. It leads to autocratic and almost despotic use of power for which there is no authority granted by any section of the people. We were told in bygone centuries that kings governed by divine right. But this is beyond that, they do not even pretend to have divine right, they derive this power, which is too often a temptation to abuse, from the mere fact that they are associated with some political party.

The instance to which I wish to draw attention centres around a man whom I am not going to name because I do not wish to hold him up to public obloquy too much. I will merely describe him as Mr. Man. He possesses a somewhat peculiar entity. A couple of generations ago theological circles were much exercised by consideration of the true meaning to be ascribed to the idea of the Trinity. Did it really mean what it said or was it a figure of speech, the idea of three in one and one in three, yet not three, but one and yet not one, but three? I am confronted with the extension of this puzzling doctrine to this gentleman because of the combination of identities. It is not only a case of Dr. Jekyll and Mr. Hyde, it is a sort of square-root problem because he possesses not one entity but four, yet he is not four men but only one.

The first official appearance, and in which he does not appear as a returned man, is that of mail carrier. This position was formerly held by a married man and was given to this man without advertising or without recourse to the Civil Service Commission. He draws only the sum of $10 per month, not a large amount but nevertheless there are thousands of single men to-day in British Columbia and probably in other parts of Canada upon relief who receive only $6 per month. I am sure that a man receiving $10 per month would have to have very strong political pull in order to obtain any relief.



One would think that this might suffice, but there is a second reincarnation in which he appears, and again not as a returned man—that of provincial road foreman on relief work. This is a sort of intermittent position, it runs on a sliding scale. If any other of his positions come into the landscape and he is afforded an opportunity of earning some money, the relief work is shut down and the men sent home until he has completed the work upon his other position or positions. when he has nothing else to do he returns to the relief work.

His third identity, again not as a returned man, is as a patrolman. For some years he has held this position which operates for four months in the year and pays, I believe, $90 per month. I understand there is a section in the Civil Service Act which states that a man shall not hold two positions. I do not think it says a man shall not hold four positions, but apparently it was not contemplated that such a thing would happen. It might be thought that a man working four months in the year and receiving $90 per month might well be able to make way for someone harder up than himself. I think I can say without fear of contradiction that anyone in British Columbia would have to possess very strong political pull to be able to get any relief while holding a position bringing in $350 a year. I said he was not a returned man, but he displaced a returned man. This man had a particularly fine record both as a soldier and as a patrolman, so much so that the permanent officials complimented him upon his work. My statement can be checked up when I say that there was not the least tinge of suspicion of any political action on the part of this man which would justify his being let out or not being reappointed.

So there are three positions which we find Mr. Man occupying. One would think that that would suffice, but we find him, again not as a returned man, in another reincarnation, as contractor to the government of the day. Before I give the particulars of this position perhaps I should refer to another situation which may explain the other four. This man was prominent in politics and during one of his periods of employment as patrolman he took four days off in order to attend a political convention—the government paid him for those four days. Perhaps this political association explains in part the other four activities which providence has been so kind as to bestow upon him. Contractors have been known to lose money even when dealing with a government but I do not think anyone

would be so foolish or so ill-advised as to lose money when allowed to write his own ticket. This man was allowed to write his own contract which stated very definitely the money he was to receive and very indefinitely the work he was to perform in order to receive that money. The work he was to do consisted of repairing some five bridges on a trail, each one four to six feet wide. The usual method adopted in such a case by the Minister of Public Works (Mr. Stewart) would be to have an engineer report upon the necessities and requirements of the work. The marine department has an engineer directly in charge of this work and located not very far away. One would suppose that specifications would be prepared by an engineer and tenders invited and that, all things being equal, the lowest tender would be accepted possibly with the requirement that a bond be furnished that the work would be carried out.

Mr. STEVENS: Is the hon. gentleman speaking of dominion work?

Mr. NEILL: Yes, these bridges are on a life-saving trail managed by the Department of Marine and under direct charge of its engineer.

Mr. DURANLEAU: What trail is that?

Mr. NEILL: On the trail between Bamfield and Pachena. One would have expected that all these reasonable and sensible regulations would have been carried out in disposing of this matter, but in fact none of them were—I am told that an estimate of a sort was made by a certain gentleman I have the very highest regard for this man in his own particular line of business, he is a man of outstanding ability in that regard but he is not an engineer; he is not qualified to do work of this kind, more especially when there is an engineer in charge of the work. One might appreciate very highly the abilities of an astronomer but one would not employ him to design a cathedral. I put small weight upon the estimate obtained in this regard; I think I am justified in saying that the principal criterion was the man's own tender.

Mr. DURANLEAU: Do I understand that my hon. friend does not want to mention the name of that contractor?

Mr. NEILL: I do not want to do it in the house. The hon. minister is well aware of this matter, why bring this man before the public? I will name him if I am required to, but I have my file going back as far as last October. If the minister is not aware of this man's name, he should be. Here is my letter upon the subject two pages in length; have I got an answer to that? No, of course not.



Mr. DURANLEAU: Does not my hon. friend think that he should give the name of that man? In fairness to the house I think my hon. friend should have told the minister concerned that he intended to bring up this matter to-day upon the motion to go into supply. I am sorry that he did not, because he knows very well that a minister cannot keep in his mind all the details of his department. Usually all communications go to the deputy minister, not to the minister himself. Unless the minister is advised that a matter concerning his department will be brought before the house, it is very difficult for hon. members to get the whole story. Had I had at least an hour's notice, I could probably have given an answer to my hon. friend. In fairness to the house, he should have given that notice and at least he should give the name of that contractor.

Mr. NEILL: The minister asks why I did not advise him that I was going to bring this up. I shall reply: Why should I? Perhaps he was not in the chamber when I explained that my policy was not to bring these matters up in the house, but after I have brought a case to the attention of the minister, without redress, as a last resort I introduce it here. When you cannot get replies to letters and representations, that is the time to bring a matter up in the house as the last court of resort.

He has said that I should give the man's name. I am not charging the man with anything; I am charging the department and I am giving the department's name and the minister's name. He knows the name; he has the correspondence. I have the file before me. I have been writing to the minister since October. If, sir, you rule that I should give the name, I shall do so; there is nothing in the world to prevent except that this man is a very faithful and loyal friend of the party opposite and I did not want to make unnecessary trouble. If the minister insists, I shall give it before I finish, but I cannot see what particular benefit there will be to anyone because I am not complaining of the man. He did what any man would do. You cannot expect a man to refuse to take four jobs if he can get them. I am complaining of the department that permitted this sort of thing. That is my grievance.

There were no specifications; there was only the contractor's own bid, very vaguely expressed in loose language. The price was an extravagant one. He stipulated, and quite properly, that all material for the job should be furnished by the government and delivered on the road. He also stipulated that he should

be paid half the price in the middle of the contract. Therefore he had absolutely no investment; he was out no money and certainly he took no risk. He did not have to buy material and he did not have to pay labour, because he stipulated that it should be paid when he was half through. There, is however, in the tender one provision that I should like to read. He says:

> This figure $1,000 will mean contingent with good weather. That means the start must be made about the middle of August and that the work would be completed by November 1.

That, I take it, is two and a half months which he thought would be about the time necessary in the middle of summer. The job was actually completed, not in two and a half months, but in one month, showing how much quicker he did it than he had anticipated. The best information I have—and I shall not be too definite on this point, but I believe it to be correct—is that he employed three men, one of whom got about $80 out of it, another one somewhat less and a third about $60, making a total of $220. But to leave a wide margin for any doubt or error, let us say that it cost $300. This leaves him a clear profit of $700 on a $1,000 contract, not an investment of $1,000, because all he invested was his time for one month, or, say, $100. Thus, he makes a profit of something like 700 per cent. Seven hundred dollars a month comes to $8,400 a year, which is almost as good as being on the tariff board, and this in addition to these other side lines which also brought in their recompense in due or undue season.

The minister complains of my bringing this matter up at this time, but I am doing so before his estimates are reached. They are not going to be the first ones taken, as I see the Minister of National Defence is ready to go on, so that the minister will have ample opportunity to secure his information and make such defence as he can. I shall anticipate some of it and also my answer. I shall be told that the contractor was a very nice man. I have been told that. I do not deny it; I never did deny it. Highwaymen have been known to be of jovial character. Bill Miner, who robbed the Canadian Pacific, was in private life a man of estimable repute. and was teaching Sunday school a week before he robbed the train, so that a defence of that sort does not cut very much ice. Then we will be told that he is a very good bridge builder. That is nonsense. He is or was a fish buyer. The good bridge building that was done was done by one of his employees. Then we are told that he had to supply the tools and camp equipment. That sounds as if he had to invest a great deal of money. Everybody who lives in the bush on the west coast of Vancouver island owns an axe and a cross-cut saw which, with perhaps the exception of a canthook, are about all the tools needed. But do not let it be forgotten that I pointed out earlier that this man was a provincial road foreman, so that he would have access to the road foreman's tools, and he would not be out of pocket a nickel for providing the tools for the job. As for the camp equipment, they lived in a government house rent free practically the whole time, so that the camp equipment did not cost him very much. As the house was empty, there was no reason why he should not live in it, but one does not need to put very much weight on the cost of camp equipment in his contract.

Then we are told the reason the man got the job in this way was that the department, animated by a very proper desire to deal with the local unemployment situation, stipulated that only local men should be employed. Well, I have the tender before me and it contains nothing about employing local men. But that argument falls to the ground because there were plenty of local men there. The job could have been put up to competition and local men could still have got it; it could still have been stipulated that local men should be employed. There was no reason that this particular man should get a contract at $1,000 when it was worth about $500, in order that local men should be employed. I guarantee that if this had been put up for tender locally, the government could have got it done for $500 and probably less.

It may be said that I am taking up the time of the house over what is, after all, a petty graft of $700. Yes, but it is illustrative. If the contract had been for a million dollars, the rake-off would have been $700,000 which is quite a large sum. If they do these things in the green tree, says Scripture, what shall be done in the dry? For days here we have sat and listened to comments made—and I joined in them, so I am not complaining of them—by hon. members on both sides, on what was termed the theories, the vague theories, if you like, of a body known as the Cooperative Commonwealth Federation. But if one hundred men had spoken for 100 days on that subject they would not have done the party to my left the harm that this incident has done them good. Or to put it another way, one hundred men talking for a hundred days cannot undo the harm to our political system which this incident has done in the minds of the people, because people are in a

touchy mood just now. Unfortunately the man who is hungry or on the verge of hunger, hard up, bitter with the loss of his money or position, does not reason with all the philosophy of a university professor, and cannot take his broadminded view of things. The man who has no work and who is told that he has to make $6 a month keep him, the married man who is told that he has to keep his wife on $3.50 a month—these are facts in British Columbia—the man who sees work left undone that ought to be done from every consideration, the man who sees no prospect of work either now or for some long time to come—these men I say are in no humour or mental condition to think it all out and apportion accurately the blame for such a deal. They will not entirely blame it, as perhaps they should, on the government representative who is primarily responsible, or on the minister or even on the government. But unfortunately they do ascribe it, not to the abuses of the system, but to the system itself, and they are very apt to say, and I know that they do say—"To perdition"—they use a shorter word—"with the whole system." But it is not the system that is at fault, but the abuses of it. The minds of these men form a very fertile seed-bed for doctrines, not of our friends to the left of the Cooperative Commonwealth Federation, but of a far more destructive character. They are ready to listen to any form of communistic ideas because they are so disgusted with that sort of thing.

That is but one instance, and a small one. Multiply it by a score for the district I represent, and then multiply that again by 244 for the other seats in this house, and can you wonder that there is discontent and unrest and dissatisfaction, and leanings towards communism, and people saying: "They are all rotten; let us wipe the whole lot out." They include me because these things cast discredit on us all, and the people do not discriminate. They do not say that this man is wrong and that man is right; they simply say, to h— with the whole thing, and they are apt to fall into the clutches of people standing by who are only too ready to inject this bolshevist communist doctrine into their minds. That is one of the unfortunate features of this thing.

I have laid the matter before the house, and as I said in answer to the minister a moment ago, if he had replied to my letter on the subject and said that he would take steps to check it up—the thing is going on to-day, because this man has two jobs; he is a patrol man and a mail contractor—I should not have had to bring it before the house, but the minister did not take that step, and now he protests because I bring the matter up here and says that I am unfair and that I did not tell him. I did tell him, and he might have known that if I did not get redress I would take the matter to the highest court. There is the situation, and I hope that the minister will reply. I shall be interested to hear his answer. He does not have to give it now. He will have time to communicate with his officials, and perhaps we shall be able to get the information later in the evening.



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

NATIONAL DEFENCE

Civil pensions—life pension to Robert Allen, $269.52; life pension to Walter Pettipas, $515.90; life pension to Florence Walker and children, $450; life pension to Arnold Truman Townsend, $420; life pension to Michael Mountain, $420.

Mr. GRAY: Are there any new items here?

Hon. D. M. SUTHERLAND (Minister of National Defence): No, these are all old items.

Mr. HANBURY: I should like the minister to explain this vote.

Mr. SUTHERLAND: The pension to Robert Allen is for injuries received while a civilian employee awaiting enlistment in the mechanical transport in 1916. The life pension to Walter Pettipas is for loss of sight due to an explosion at Halifax in 1916. The life pension to Mrs. Florence Walker is for the death of her husband killed by an exploding shell in the performance of his duty at Fort Clarence, Halifax, in 1923. That pension had been higher, but has been cut down this year owing to one of the daughters having reached an age where she is not eligible for the allowance. The pension to Arnold Townsend is for injuries received on the Canadian Government Steamship Constance in 1917. The pension to Michael Mountain is for injuries sustained on His Majesty's Canadian ship Festubert in 1926. All these are cases which do not come under workmen's compensation because of the employees being in the government service, but the pensions are calculated at workmen's compensation rates for the province.

Item agreed to.

Adjustment of war claims—National Defence —militia services, $74,000; naval services, $500.

Mr. CASGRAIN: Will the minister explain this item?

Mr. SUTHERLAND: Ever since the war there have been a number of claims turning up from time to time which would have been settled immediately after the war had the claims then been presented; for instance, claims for separation allowance, war service gratuity, and pay and allowances. This vote also includes the upkeep of the historical section entrusted with the compiling of a history of the war; the supply of war medals, and so forth. There is also an item of $19,000 for war graves of men who die from war service but are not under the care, when they die, of the Department of Pensions and National Health.

Mr. COOTE: What progress is being made with the preparation of the history of the war?

Mr. SUTHERLAND: Very good progress is being made, and we expect that the first general volume will be published during the current year. This vote includes an item of $6,000 to pay for the publication of 5,000 copies of the first volume.

Mr. MACKENZIE KING: There is mention in the vote of appropriations not required for 1933-34. What were those appropriations required for before?

Mr. SUTHERLAND: They do not have to do with this department, and never had to my knowledge.

Mr. CASGRAIN: Then why put them under this vote?

Mr. SUTHERLAND: I could not tell you. They have nothing to do with this department. It is simply the way the estimates are compiled.

Mr. STEVENS: Appropriations that appeared last year and are not required this year always are mentioned in this way in the estimates presented to parliament. It is in all our estimates, and has been for years. It is a matter of form followed by those who compile the item.

Mr. MACKENZIE KING: But we ought to know the details.

Mr. STEVENS: To show details would only clog up the records.

Mr. MACKENZIE KING: I do not expect the details on the record; I want the minister to tell us what they are.

Mr. SUTHERLAND: It has nothing to do with the department.

Mr. GRAY: Were they there last year?

Mr. STEVENS: Yes, for years and years.

Mr. SUTHERLAND: I have not the information concerning last year's estimates before me.

Mr. CASGRAIN: Who is compiling the history of the war?

Mr. SUTHERLAND: It is under the direction of Colonel Duguid, who is in charge of the historical section.

Mr. CASGRAIN: Has he an assistant, or is he doing the work alone?

Mr. SUTHERLAND: He obtains all necessary assistance from the historical section.

Mr. CASGRAIN: Will the work be published in both English and French?

Mr. SUTHERLAND: There is no provision in this vote for publication in both languages.

Mr. CASGRAIN: I should like to ask the minister to see to it that when the history is completed it be printed in both languages.

Mr. SUTHERLAND: That is a reasonable request, and I shall consider it.

Mr. CASGRAIN: When the publication is issued, will it appear in both languages?

Mr. SUTHERLAND: I cannot promise it under this vote, but I can see the reasonableness of the hon. member's suggestion.

Mr. McGIBBON: When will the Book of Remembrance be completed?

Mr. SUTHERLAND: I should prefer to answer that question under the next vote.

Mr. GRAY: Under the vote now before us there would appear to be a decrease of half a million dollars. In my view that is the net result of the figures shown in the item. In addition to the half a million dollars there is a further decrease of $8,000. In the estimates presented last year a decrease of $3,217,500 was shown. I may be dense, but I should like to know why this item is carried year after year.

Mr. SUTHERLAND: My only reply would be that so far as this item was concerned only $82,500 was voted last year.

Mr. MACKENZIE KING: Was the $500,000 required for use in the fiscal year 1932-33? If so, how was it spent? From the

estimates we might be led to believe that the government is saving half a million dollars, whereas I believe the minister will admit that such is not the fact.

Mr. SUTHERLAND: The $500,000 was not voted for my department last year; there is no doubt about that. The fact is it was not voted at all in the main estimates.

Mr. GRAY: Last year there was a decrease of $3,217,500.

Mr. SUTHERLAND: My impression is that formerly the item concerning the adjustment of war claims had to do with some other departments which are not now interested, and that the Department of National Defence is the only department now needing the money.

Mr. GRAY: I suggest the item be allowed to stand for further explanation.

Mr. CASGRAIN: I also am of that opinion.

Mr. COOTE: I should like to know whether since the war any publications have been made by the historical section?

Mr. SUTHERLAND: Yes, there have been some. It has been responsible for circulating to Canadian participants chapters of the British official history of the war, and for editing same. It has assisted regimental historians to write and publish acounts concerning individual units of the Canadian expeditionary force. It provides historical and biographical information as called for and is arranging material necessary for the completion of the Book of Remembrance. In addition to that it has published a number of historical monographs for official purposes.

Mr. COOTE: Is the first book to be published this year?

Mr. SUTHERLAND: Yes, the first general volume this year.

Item stands.

Battlefields memorials, $76,500.

Mr. CASGRAIN: Would the minister explain this item?

Mr. SUTHERLAND: This vote has appeared in the estimates ever since the conclusion of the war, and concerns the money made available for the erection of memorials in France and Belgium, of which there are eight. Seven of them are now completed, the only one remaining for completion being the one at Vimy.

Mr. CASGRAIN: What is the reason for the decrease?

[Mr. Mackenzie King.]

Mr. SUTHERLAND: The masonry work on the Vimy memorial is entirely completed. All the stone is in place, so that the only further expense is that connected with finishing and sculpture work. The cost of the stone and of putting it in place is now paid for.

Item agreed to.

At six o'clock the Speaker resumed the chair and the house took recess.

## After Recess

The house resumed at eight o'clock.

### CRIMINAL CODE AMENDMENT

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved the second reading of Bill No. 24, to amend the criminal code (unlawful associations).

Some hon. MEMBERS: Explain.

Mr. WOODSWORTH: As I stated when this bill was introduced, Mr. Speaker, it proposes to repeal section 98 of the criminal code, dealing with unlawful associations. Apparently there has been a very great deal of misapprehension with regard to the purpose of the bill; I think a good many people are not quite aware of the exact character and far-reaching extent of the section which it is proposed to repeal.

Let me say that a number of efforts have been made to have this section of the criminal code repealed. I introduced legislation along this line in 1922 and in 1923. Mr. McMaster, then the member for Brome, introduced a similar bill in 1925, and the Minister of Justice under the Liberal administration introduced bills repealing this section in 1926, 1928, 1929 and 1930. In 1929 the bill failed to pass the Senate by only three votes, so those who now speak so strongly against anyone who would venture to repeal this section of the criminal code must remember that the matter has been very fully discussed in this house again and again, and that it found favour with a majority of the members.

In the earlier days, when we sought to get rid of this piece of legislation we were told that it was a dead letter, that it never had been used and probably never would be used. As a matter of fact, however, there are now some eight communists in Kingston penitentiary who were convicted under this legislation. I should like to point out that these men did not commit any overt act whatever. They were not convicted of urging the use of force, nor were they convicted of using force.

They were convicted of belonging to an association which was said to be affiliated with a body in Russia which did believe in the use of force; on that type of evidence they were convicted. If my understanding is correct the general spirit of British law is absolutely opposed to that kind of legislation. We have been taught that a man can be convicted only when he has actually committed some crime, but these men have not been convicted of any crime. They were convicted for holding a certain belief, and I say that is something quite new in British law.

The various labour bodies have protested from time to time against this legislation, not because they were favourable to communist doctrines but because they felt that the law could be used against trade unions; its terms are very broad indeed. I may say that they also feel that the legislation is wrong in itself. Not only the labour bodies have protested; other organizations have protested as well. In June of last year the Montreal and Ottawa conference of the United Church adopted a resolution in this connection, and I understand that the resolution was endorsed by the general council meeting at Hamilton, although I have not documentary proof in that regard. This is the resolution that was adopted at Montreal:

> Concerning a communication from the Canadian Labour Defense League, complaining of police repression of freedom of speech; of the arrest of labour leaders, their transportation far from home to Halifax, and the attempt to deport them without trial; and of the harshness of the criminal code in relation to alleged unlawful associations.
>
> Your committee would report that it has had no opportunity to investigate the cases alleged violence against workmen and labour organizers, cited by the Canadian Labour Defense League; nor does it think the conference the best body to undertake such investigation.
>
> Your committee nevertheless recognizes;
>
> First, that efforts of the working masses to improve their lot, and even to effect a different social order, are inevitable in the present situation.
>
> Second, that the necessity for serious changes in the social structure is widely recognized in intellectual and professional circles everywhere, and in the commercial community itself.
>
> Third, that the Christian church would be untrue to herself, a traitor to humanity, and an ally of reaction, if she were indifferent to the present tragic situation of the labouring masses, and their efforts after self-betterment.
>
> Your committee therefore recommends that the Montreal and the Ottawa conference memorialize the general council and request its own presbyteries to make earnest efforts through their relevant boards and committees to secure:
>
> 1. That freedom of speech receive such safeguards in Canada as it has long received in Great Britain;
>
> 2. That disturbance of the peace and other violations of law among the foreign born be dealt with as in the case of the Canadian born; and that they be not made a pretext for the expulsion from Canada of people lawfully resident here, whose real offense is their social views;
>
> 3. That representations be made to the government of Canada concerning the harsh and unreasonable features of the criminal code dealing with alleged unlawful associations, and especially concerning section 98, clause 3, which says:
>
> "any person who wears, carries or causes to be displayed upon or about his person or elsewhere a badge, insignia, emblem, banner, motto, button, or other device whatsoever indicating or intending to show or suggest that he is a member of, or in any wise associated with, any such unlawful association, shall be guilty of an offense and liable to imprisonment for not more than twenty years."
>
> 4. That efforts be made to secure that police authorities everywhere do not yield to panic, and the violence which panic produces, but that they recognize that firmness, with patience and understanding, are the qualities required in our distressed and critical days.

I submit that when such disinterested bodies as conferences of the United Church undertake to go that far in protest, it ill behooves any member of this chamber simply to brush aside such considerations. It seems to me that we must face the need for the revision of legislation that in its essence is opposed to the general principles of British freedom.

The legal aspect of this question is dealt with quite fully in the August 1932 number of the Queen's Quarterly, in an article by Mr. F. R. Scott, of the department of law of McGill University. Mr. Scott points out that:

> The communist party is a lawful and recognized political party in almost every civilized country to-day. Its members are sitting in parliaments in France, Germany and Czechoslovakia; it once had a member in the English House of Commons; in Canada, besides the fact that it has contested Dominion, provincial and municipal elections frequently, it was at one time represented on the Winnipeg city council. Only in Italy, Japan, Poland and some of the more reactionary Balkan states is the party completely outlawed. By the Toronto verdict Canada has allied herself with this group of select reactionaries. She is the only country amongst them which claims to be a democracy.

Mr. Scott then goes on to discuss the legal aspects of the case. May I point out that it is not a novel thing for men to hold that under certain circumstances the use of force is justifiable? A great many writers on law have held that in certain instances the use of force is ethically justifiable, and is the last resort of every free man. I am not taking that position; I simply point out that the use of force is frequently justified.

I should like to give an instance—If I remember aright, I cited it once before in

this house in another connection—that occurred in my own city of Winnipeg, as reported in the Manitoba Free Press. Mr. R. B. Graham, K.C., was proposing a toast to England, the occasion being the usual St. George's night dinner of the society over which the president, Mr. Jackson Dodds, O.B.E. presided as chairman. Music was furnished during and after the dinner by the regimental band of the Princess Patricia's Canadian Light Infantry. Mr. Graham is reported to have said in the course of his address:

> No nation ever became truly great save by successful sedition and revolution. The lamp and the torch and the tumult have overcome tyranny. The signature of King John was placed to the Magna Charta, wrenched from him by the nobles; revolution led King Charles to the block; the corn law riots—these were crimes against the law and seditions, but no one hangs his head in shame because of them. "Liberty, Equality, Fraternity," were no mere catchwords as in the French revolution, but the expression of the earnest striving for the substance that lies behind the words.

My point is that if the use of force under certain circumstances is so well recognized by our own leading men, and has been so generally recognized all down through the years, it seems very like persecution to set up a law that permits a certain group of men whose opinions are repugnant to the majority of people in Canada to be persecuted simply for holding that in certain contingencies resort must be had to force.

I should like to call attention to the very far-reaching character of the clauses of the act. Section 98 reads:

> Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force . . .

I submit that that word "force" is altogether too broad in this connection. It may be that the government feels it necessary to take precautions against men who deliberately set about to organize military force or to bring about governmental changes by physical force. But, why not say so? This force may mean what is generally termed moral force. It may be used to cover what is often called intimidation. In connection with an historical trial in the west the judge took the ground that any group of people, such as trade unions, that attempted to force its opinions in any way upon the public would be guilty of the use of force; that is, the strength of trade unionism exercised in an ordinary strike, without any recourse to violence, would bring the people behind it under the terms of this act.

[Mr. Woodsworth.]

Again, the second clause reads:

> Any property, real or personal, belonging or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the commissioner of the Royal Canadian Mounted Police, and may thereupon be forfeited to His Majesty.

There again I would call the attention of the house to the fact that it is not necessary that such property should actually belong to such an association; it is sufficient that certain people should think it belongs to the association. So long as somebody, the proper people, suspect that there is something wrong, suspicion becomes the ground upon which action may be taken, and then the property may be seized and confiscated. I submit that is contrary to the spirit of British law. We have always been told that men ought to be accused on certain definite grounds and regularly tried, and that it is only then that anything can be done with their property. But in this case their property can be seized without warrant and confiscated. It is a very far-reaching measure; it takes away anything like the liberties which we all thought we enjoyed.

Again, coming to subsection 4:

> In any prosecution under this section, if it be proved that the person charged has—
>
> (a) attended meetings of an unlawful association; or
>
> (b) spoken publicly in advocacy of an unlawful association; or
>
> (c) distributed literature of an unlawful association by circulation through the post office mails of Canada, or otherwise; it shall be presumed, in the absence of proof to the contrary, that he is a member of such unlawful association.

I am not a lawyer, but I have always been taught that a man is considered innocent until he is proven guilty. Here he is considered to be guilty unless he himself can prove he is innocent. I cannot see how we can justify legislation of that kind.

Mr. GEARY: May I ask the hon. member if he is aware that there is legislation of that sort upon the statute books of, I think, every province?

Mr. WOODSWORTH: I am aware it is here in the code; I say I do not think it is justified.

Mr. GEARY: Liquor, motor vehicles.

Mr. WOODSWORTH: I hope the hon. member does not mean that this is justified because there is other vicious legislation. I am aware that in some cases the police are

given wide powers to act in case of suspicion. It may be that in liquor cases, it may be presumed, if a man has liquor, unless there is evidence to the contrary, that it is contraband or whatever it may be. There may be the possibility of justification in such cases as that. It is an altogether different matter when a man can be tried and held to be guilty of unlawful association simply because he has certain literature in his possession.

Mr. GEARY: I was wondering if my hon. friend knew how legislation similar to that had been interpreted in the courts? The burden of proof still lies where it was and the presumption of innocence is still the same.

Mr. WOODSWORTH: I am not very familiar with court procedure but I think it is clear that any magistrate who happened to be unfavourable or prejudiced could use this legislation in an unfair way. Subsection 5 reads:

> Any owner, lessee, agent or superintendent of any building, room, premises or place, who knowingly permits therein any meeting of an unlawful association or any subsidiary association or branch or committee thereof, or any assemblage of persons who teach, advocate, advise or defend the use, without authority of the law, of force, violence or physical injury to person or property, or threats of such injury, shall be guilty of an offence under this section and shall be liable to a fine of not more than five thousand dollars or to imprisonment for not more than five years, or to both fine and imprisonment.

It is quite true that the phrase "who knowingly permits" has a safeguarding effect, but on the other hand it might be very difficult for such an owner to prove that he did not know the character of the organization which was meeting in his hall. It is not merely one particular organization that is declared to be unlawful; this subsection covers any subsidiary association or branch or committee thereof. As is well known to hon. members of this house, there are what are really subsidiaries of the communist party. One branch devotes itself to the defence of its members who may be arrested, while another is engaged in the industrial fields in organizing the trades unions and so on. It would be quite easy for such a subsidiary wishing to hold a meeting to represent itself as an independent organization and later on be charged with being a subsidiary of the communist party and hence an unlawful organization. The owner of a hall where such a meeting had been held would be liable to a heavy fine or imprisonment. As I stated last year, the police have attempted to frighten hall owners so that many of them will not take the risk of permitting meetings to be held within their halls. When someone comes along and attempts to rent their halls, they say: "This may be unlawful; I will not take the risk." Many lawful organizations have found it impossible to find a hall wherein to hold a meeting. Subsection 6 reads:

> If any judge or any superior or county court, police or stipendiary magistrate, or any justice of the peace, is satisfied by information on oath that there is reasonable ground for suspecting that any contravention of this section has been or is about to be committed, he may issue a search warrant under his hand, authorizing any peace officer, police officer, or constable with such assistance as he may require, to enter at any time any premises or place mentioned in the warrant, and to search such premises or place, and every person found therein, and to seize and carry away any books, periodicals, pamphlets, pictures, papers, circulars, cards, letters, writings, prints, handbills, posters, publications or documents which are found on or in such premises or place, or in the possession of any person therein at the time of such search, and the same, when so seized, may be carried away and may be forfeited to His Majesty.

Here we have what has generally been considered as a reprehensible practice, the general search warrant. The house will note that the grounds for issuing this search warrant are contained in the words "reasonable ground for suspecting." Who is to determine just when the ground is reasonable? I can well understand a magistrate thinking there was reasonable ground for suspecting any party which was not of his own faith. The section goes even further; it says: "reasonable ground for suspecting that any contravention of this section has been or is about to be committed." Such a clause to my mind is absolutely outrageous. If anyone suspects that a crime is to be committed, he can act forthwith. It is against everything we have been taught of British law and fair play.

An hon. MEMBER: Wait until the house burns down, is that the idea?

Mr. WOODSWORTH: You cannot convict a man of arson before the house has burned down. Certain religious bodies might be subject to the provisions of this subsection. If we may judge by certain publications of their critics, they suspect everybody of being guilty of the most fearful crimes. Subsection 8 reads:

> Any person who prints, publishes, edits, issues, circulates, sells or offers for sale or distribution any book, newspaper, periodical, pamphlet, picture, paper circular, card, letter, writing, print, publication or document of any kind, in which is taught, advocated, advised or defended, or who shall in any manner teach, advocate, or advise or defend the use, without authority of law, of force, violence, terrorism, or physical injury to person or property, or

threats of such injury, as a means of accomplishing any governmental, industrial, or economic change or otherwise, shall be guilty of an offence, and liable to imprisonment for not more than twenty years.

Here we have the law written in very wide and dangerous terms. If a bookseller should read the advertisement of a publisher in England and send for his book, not knowing just what was in it, and that book should advocate force, then he would be liable to twenty years in prison. There are scores of books in our parliamentary library of that very nature. I do not know what would happen to me if I should return some of them through the mails; I suppose I would be liable to a twenty year sentence. Subsections 9, 10 and 11 read:

9. Any person who circulates or attempts to circulate or distribute any book, newspaper, periodical, pamphlet, picture, paper, circular, card, letter, writing, print, publication, or document of any kind, as described in this section, by mailing the same or causing the same to be mailed or posted in any post office, letter box, or other mail receptacle in Canada, shall be guilty of an offence, and shall be liable to imprisonment for not more than twenty years.

10. Any person who imports into Canada from any other country, or attempts to import by or through any means whatsoever, any book, newspaper, periodical, pamphlet, picture, paper, circular, card, letter, writing, print, publication or document of any kind as described in this section, shall be guilty of an offence and shall be liable to imprisonment for not more than twenty years.

11. It shall be the duty of every person in the employment of His Majesty in respect of His Government of Canada, either in the Post Office Department, or in any other department to seize and take possession of any book, newspaper, periodical, pamphlet, picture, paper, circular, card, letter, writing, print, publication or document, as mentioned in this section, upon discovery of the same in the post office mails of Canada or in or upon any station, wharf, yard, car, track, motor or other vehicle, steamboat or other vessel upon which the same may be found and when so seized and taken, without delay to transmit the same, together with the envelopes, coverings and wrappings attached thereto, to the commissioner of the Royal Canadian Mounted Police.

The officials of the customs department and the post office are to be turned into a set of spies. Everybody is supposed to be on the lookout for anything that might come under the category herein enumerated. The reason I have been so urgent in my request that this legislation be repealed is that I believe it is un-British in character and may easily lead to very great abuses.

May I call attention to the sentence which, according to this legislation, may be imposed, that of twenty years. Several years ago in the case of sedition the term was lessened from twenty to two years. I fancy sedition is just as serious a crime as that of belonging to an unlawful association, but sedition is now punishable by only a two year penitentiary sentence, whereas this crime of unlawful association is still punishable by a twenty year penitentiary sentence. There does not seem to be any real reason for the difference in the length of sentences provided for these offences.

I do not know it is necessary for me to say that I am not an advocate of force. I have repeatedly in the house opposed the use of force and I shall continue to do so. But I do not believe we should be unfair even to those who hold the other view, and certainly I do not think we should proceed to convict men for simply holding certain beliefs, unless they commit some overt act.

One other word before I resume my seat. I have no interest whatever in the Communist party as such. In all our recent elections I have been opposed by the Communist party. Some of my colleagues think I am very stupid to do anything at all that would give the Communist party a chance of carrying on in this country. I am not urging the repeal of this legislation in order that there should be a free advocacy of the use of force in Canada. I do say, however, that under other sections of the criminal code there is ample provision that if a man advocates the use of force, he may be arrested, tried and convicted, and then, if he is a foreigner, he may be deported. But I protest against designating a certain group as an unlawful association and I protest against this legislation which may so readily lead to serious abuses.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, on many occasions during recent years the hon. member for Winnipeg North Centre (Mr. Woodsworth) has made an effort in this house to repeal the section of our criminal code known as section 98, which deals generally with the subject of sedition. If I remember correctly, the bill which he attempted to introduce into the house last year was a much more modest one than that which he now proposes.

Mr. WOODSWORTH: May I correct the hon. gentleman? I attempted to introduce this bill, but was not permitted. Later on I introduced another of a more moderate character.

Mr. GUTHRIE: The bill that I recall provided, so far as the main section 98 is concerned, merely that the word "physical" should be inserted before the word "force", to make it clear that what was intended was

physical force. The other amendments, as I recall them, were to modify or repeal some of the subsections of section 98 which the hon. member has discussed in his speech to-night. The hon. member has this year grown more bold, and now proposes to wipe out the whole section.

Section 98 had its genesis in, I think, the session of 1918. I remember on that occasion I was chairman of a special committee of the house to which the draft bill was referred, and I believe the hon. member for Quebec East (Mr. Lapointe) was also a member of that committee. The committee held several meetings at which there was more or less prolonged discussion, and when a conclusion was finally reached, I think there was a majority of only one in the committee in favour of reporting to the House of Commons the bill as it stands on the statute book to-day. After the report was received by the house, it was adopted and legislation was subsequently enacted which still stands as section 98 of the Criminal Code of Canada.

Notwithstanding the fact that this legislation has been in operation in Canada for something like fifteen years, prosecutions under this section have been, we are happy to say, extremely rare. I believe the section was invoked at the time of the Winnipeg strike in 1919 and certain convictions then took place. I am not aware that the section was invoked again until about a year or a year and a quarter ago in the city of Toronto where certain prosecutions occurred of individuals who were charged with belonging to the Communist Association of Canada. In these prosecutions eight men were convicted under section 98. The conviction was appealed from the trial court to the Court of Appeal of Ontario; the latter court confirmed the decision of the trial court and found in precise language that the Communist Association of Canada was an unlawful association under terms of section 98 of the criminal code, and the eight men who had been convicted were sentenced to terms in a Canadian penitentiary. I am not personally aware of any other prosecutions under that section, or, if such did take place, I am not aware that any other convictions were registered.

It has been represented throughout the length and breadth of Canada that section 98 as it stands upon the Criminal Code of Canada to-day is in some way aimed at and directed against what we recognize as trade and labour associations. Such is not in any respect the case. The section has no application whatever to those organizations which we know as labour organizations and so far as I am aware no labour organization and no trade union has ever been prosecuted under section 98; it is not intended that any should be. I do not believe the provisions of the section have ever been invoked against labour organizations or trade unions in any part of the dominion, but the section has been invoked against associations which may be described unlawful, and unlawful for the reason that they are associations which advocate the use of force, violence and intimidation as a means to change the laws and to subvert or overturn the government of this country. It is for this reason that section 98 declares such associations to be unlawful and if any association is proved to be an unlawful association, the consequences follow; the law takes its course and the members of such associations are convicted and imprisoned.

In the year 1918, when this law first appeared upon the statute book of Canada, there was considerable unrest throughout the dominion, and section 98 was aimed to check unrest and secure peace and tranquillity. Unrest is perhaps too mild a word to use, having regard to the strike which took place in Winnipeg in May 1919. I will admit that two or three years after the enactment of section 98 war conditions in Canada had considerably subsided and unrest had to a large extent vanished. I think probably for four or five or even six years after the war, indeed up until the year 1929 or 1930, there was little or no occasion to invoke the aid of section 98. But if there was reason to pass such a section in 1918 there is certainly reason to keep such a section in force in the year 1933. We know, and I need not occupy the time of the house in stating it, that there is very serious unrest in the Dominion of Canada to-day, and in some instances of a very alarming nature. We know that there are a number of dangerous organizations and associations operating throughout the length and breadth of this dominion to-day under a variety of names. I was glad to hear my hon. friend from Winnipeg North Centre describe one organization, namely the Canadian Labour Defence League, as a subsidiary of the communist organization which has already been declared by the courts of Ontario to be an unlawful association under section 98.

I am sufficiently aware of the activities of the Canadian Labour Defence League to say that it is the communist society of Canada operating under another name. I have evidence in my department which would convince any man that my statement is correct, and let me tell you, Mr. Speaker, that

throughout the length and breadth of this dominion the Canadian Labour Defence League is operating to-day in a most insidious manner. Where the league gets its financial support I do not know; I can only surmise; but financial support it certainly has. I learn of the activities of this association through petitions from every quarter of this dominion. I am not overstating the case when I say that I have hundreds and hundreds of them. I have now ceased to acknowledge receipt of them. I merely hand them over to the mounted police in order that a record may be kept of the names and addresses of the people who sign them, and I make this statement so that the petitioners may know what I do with them. I have received some petitions in which it is stated that the petition must not be sent to the Minister of Justice but to the head office in Toronto where the names will be registered and compiled so that the Department of Justice may not know the names and addresses of those who signed it. Some of these communications have inadvertently been sent direct to me. I can assure the house that in long petitions there does not appear a single Anglo-Saxon or French-Canadian name—nothing but names of foreigners, unpronounceable names for the most part. I do not know all the ramifications of the Canadian Labour Defence League, but I believe that it is closely identified with or affiliated with the Friends of the Soviet Society, another society which is operating throughout Canada, particularly in Ontario and western Canada, and which also favours me with its demands and its petitions. I know from information compiled through the agency of the mounted police that these societies are operating in almost every corner of western Canada, and the literature which is circulated, and which I attribute to these societies is most scandalous and most seditious, and in many cases, blasphemous and obscene.

I submit, Mr. Speaker, that if there ever was a time in the history of this country when section 98 was justifiable as a part of the criminal law of this country, this is certainly the time. In my judgment section 98 should be maintained. May I quote for the benefit of my hon. friend from Winnipeg North Centre a remark of the apostle Paul, who says: "But we know that the law is good, if a man use it lawfully."

Section 98 is not in any sense a hindrance to any right thinking person. Section 98 places no restriction upon any citizen of this country who is worthy of the rights of citizenship. A person who does not advocate force or violence or terrorism need have no fear whatever of section 98. I shall not discuss the various sub clauses of the section because upon the second reading of a bill the only matter which should be discussed is the principle of the measure, not the details. I maintain that the enacting words of section 98 merely provide against the advocacy of force, violence, terrorism and intimidation, and we must not permit such things to go unheeded in this Dominion of Canada. The other subsections of section 98 to which my hon. friend has referred are merely to enable peace officers to carry out that law and to furnish the proof necessary to obtain convictions. These subsections are in no sense extraordinary provisions. The provisions in regard to search and in regard to the possession of unlawful or illegal literature are ordinary provisions, similar to many others which will be found in various parts of the criminal code. The allegation that a man under certain circumstances may be presumed to be guilty by reason of the fact that he attends unlawful meetings or has in his possession unlawful literature is not a novel provision in our criminal law. Such provisions exist in respect to a great many sections of our criminal code. They occur also in respect of some of our provincial laws, our liquor laws, also in our highgrading laws, and in respect of the drug act passed by this parliament, under which the mere possession of certain prohibited drugs is sufficient evidence upon which to convict a man unless he can establish his innocence. Therefore the special provisions particularly referred to by my hon. friend from Winnipeg North Centre are by no means extraordinary or novel provisions in the criminal law of Canada.

I do not know, Mr. Speaker, that there is anything more that I have to urge in regard to this matter, other than to state that under the conditions as they exist to-day in the Dominion of Canada, and many of which have come directly to my knowledge, in my judgment this section should remain as it stands to-day upon the statute book. I know that there have been times in past years when the matter has come up in this house when I looked upon the repeal of this particular section as a matter of indifference, and I think on one occasion I stated in this chamber that I believed that this particular section had perhaps survived its usefulness and that there was no further necessity for it. But at that time there was no communist agitation in Canada such as exists to-day. The Canadian Labour Defence League had not entered upon its activities. In fact the Canadian Labour Defence League only started its activities

when the communist society was banned as an unlawful society in the Dominion of Canada by the courts of Ontario. I know that the Canadian Labour Defence League and the Communist Association have their affiliations cutside the Dominion of Canada. I know this from threatening telegrams which I have received myself. I have been informed by telegram that 150,000 communists in New York are watching me, and I forget how many hundreds of thousands in Chicago—all these telegrams were inspired, I believe, in the city of Toronto.

Another matter I will state to the house incidentally. No sooner did the disturbance take place in Kingston penitentiary last October than I was flooded with telegrams and petitions from every quarter of Canada almost before the riot was well under way. These messages were all framed in practically the same language, and I am satisfied they were all engineered from the city of Toronto. I mention these things, Mr. Speaker, to impress the house with actual conditions and with the necessity of maintaining section 98 as it stands on the statute book to-day. For the reasons I have given I propose now to move that this bill be not now read a second time, but that it be read a second time this day six months.

Some hon. MEMBERS: Carried.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I do not think anybody would charge me with being a communist. I am opposed to communism, to its methods, to what it advocates and what it preaches. If I thought section 98 of the criminal code were necessary to prevent the advocacy of force, violence or intimidation, the things upon which the Minister of Justice (Mr. Guthrie) has expounded this evening, I should be in favour of it. I do not think, however, that such a provision was necessary in the Criminal Code of Canada. The minister has referred to petitions bearing foreign names which have been sent concerning certain people who have been convicted in the courts. May I tell him that the people who have been seeking the repeal of section 98 do not belong to any of those associations, and are not people with foreign names.

Mr. GUTHRIE: Yes, I have thousands of them.

Mr. LAPOINTE: During the time I was a member of the government of Canada I was present on numerous occasions when representatives of the Trades and Labour Congress and other labour associations and organizations, came to the government to submit their programs. They were men devoted to law and order. They were men like the President of the Trades and Labour Congress, Mr. Tom Moore, whom nobody would accuse of being a communist or even a socialist. These men have always asked the government for the repeal of section 98, because they were afraid that through certain interpretations of it their rights might be violated.

Mr. McGIBBON: You did not repeal it.

Mr. LAPOINTE: No; but on five occasions as Minister of Justice I introduced a bill which, after all, was the same in substance as the one introduced at this time by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I do not think I was a barbarian or a rebel or anything of that kind, but I did it. Further, the House of Commons always supported the bill, and during the session of 1930 nobody on the opposite side of the house opposed it; it was carried unanimously, with no objecting voice. If it is a crime to-night to favour the bill introduced by the hon. member for Winnipeg North Centre, all hon. members who sat opposite me in 1930 and supported the bill introduced at that time—because they did not oppose it—were guilty of a similar crime.

Sedition was crime prior to the amendment of 1919. Under common law sedition has always been a crime. In Great Britain on various occasions demands have been made to define sedition in the way it is done in section 98, or in some other way. But after debate in the British House of Commons, and after a commission had reported concerning the advisability of defining sedition, it was found better to leave it under the common law without arriving at a definite description of what it might be. The same thing happened in this country. The commissioners who prepared the criminal code had a section defining sedition, but after debate in this House of Commons it was found advisable and considered better for every purpose to leave sedition as it had been under the common law. Many sections were inserted in the criminal code which covered every circumstance. I refer the house to section 88, which deals with unlawful assemblies, although we have heard the Minister of Justice wax eloquent on the necessity for section 98, the purpose of which is the prevention of unlawful assemblies. Section 130 deals with seditious oaths, section 132 with seditious words, seditious libel or seditious conspiracy. Under section 135 we have provision with regard to libel of any foreign sovereign. In 136 there is provision against the publication of false

news. I blame more particularly the House of Commons of 1919 for having withdrawn the then section 133. That section, which no longer appears in the criminal code, read as follows:

133. No one shall be deemed to have a seditious intention only because he intends in good faith—

(a) to show that His Majesty has been misled or mistaken in his measures; or,

(b) to point out errors or defects in the government or constitution of the United Kingdom, or of any part of it, or of Canada or any province thereof, or in either house of parliament of the United Kingdom or of Canada, or in any legislature, or in the administration of justice; or to excite His Majesty's subjects to attempt to procure, by lawful means, the alteration of any matter in the state; or,

(c) to point out, in order to their removal, matters which are producing or have a tendency to produce feelings of hatred and ill-will between different classes of His Majesty's subjects.

Surely any citizen, British or Canadian, has a right to do those things which are mentioned by the old section 133 as not being seditious. Unfortunately that section was repealed in 1919.

Mr. WOODSWORTH: May I ask the hon. member whether or not that section was restored?

Mr. LAPOINTE: No, it was not.

Mr. WOODSWORTH: Unless I am mistaken, it was restored several years ago.

Mr. LAPOINTE: No, the hon. member is mistaken. It was not restored, but I tried to restore it.

Mr. SPEAKER: I regret interrupting the debate, but under standing order 15 the time for dealing with private and public bills is limited to the hour between eight and nine p.m. That time has now expired.

## SUPPLY

### NATIONAL DEFENCE

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

National Defence—militia services, $74,000; naval services, $500—$74,500.

Hon. D. M. SUTHERLAND (Minister of National Defence): Mr. Chairman, I should like to make an explanation concerning the item dealing with the adjustment of war claims to which reference was made prior to the adjournment. The $500,000 item was voted in the supplementary estimates of 1932-33, being vote No. 403 of those estimates, to provide for the payment of claims for compensation for losses sustained by civil population and prisoners of war of Canada during the late war, interest thereon, and cost of administration. That vote was brought forward and administered by the Secretary of State, and it is not required this year.

Mr. MACKENZIE KING: Could the minister say whether any Armenian claims were paid out of that vote?

Mr. SUTHERLAND: I should think so, but as I say, this department had nothing whatever to do with the item. We did not bring it forward and did not administer it.

Mr. MACKENZIE KING: Since the item appears in the estimates of my hon. friend, could he give us some information with regard to the Armenian claims? If not, could he indicate when and where we could get that information?

Mr. SUTHERLAND: From the Secretary of State.

Mr. MACKENZIE KING: On his estimates?

Mr. SUTHERLAND: Yes.

Mr. ROSS: I should like to ask the minister if the preparation of the official history of the war is in the hands of one officer, or if other persons are consulted.

Mr. SUTHERLAND: Yes, a number of other people are consulted. As a section is finished it is circulated and comments are requested from various people, including officers who were in certain sectors, with regard to the disposition of their troops, their orders and various matters of that kind.

Mr. ROSS: Then may I ask if any objection has been taken to any part of the book by any officer? If objections are taken will corrections be made, or in what way will differences of opinion be dealt with?

Mr. SUTHERLAND: Every possible care will be taken to see that nothing is included in the history that is not authentic. We welcome all advice on any point that comes up.

Mr. ROSS: Has any protest been made by any officer in regard to any item prepared so far?

Mr. SUTHERLAND: I am told that exceptions have been taken to certain things, and that corrections have been made.

Mr. ROSS: Has any objection or criticism not been accepted?

Mr. SUTHERLAND: Any criticism that is made is examined very carefully, and all available files are consulted in order to ascertain the facts.

Item agreed to.

To provide for the Book of Remembrance of members of the Canadian forces, and Canadians in the forces of the British Empire, who lost their lives in the great war, $7,500.

Mr. MACKENZIE KING: Will the minister state what progress has been made with this work?

Mr. SUTHERLAND: As I think I stated when this item came up in the supplementary estimates last year, it was arranged that this book should cost $35,000. Of that total, $10,000 was voted in the supplementary estimates last year; $7,500 is in the estimates this year; it is intended to invite parliament to vote $7,500 next year and $5,000 the succeeding year, with a final $5,000 in the estimates for 1936-37. Mr. James Purves, an artist, illuminator and designer, has been engaged to do this work for a fee of $35,000. Mr. Purves was exceedingly well recommended; samples of his work were examined together with samples of other work, and the committee in charge of the matter recommended that he be given the work. This committee consists of the Dominion Archivist as chairman, the chief architect of the Department of Public Works, the secretary of the Imperial War Graves Commission of Canada, the director of the historical section of the Department of National Defence, and the Clerk of the Privy Council, with the director of records as secretary.

The book will be made up in this way: The names of all members of the Canadian forces, and of Canadians who served in the forces of the British Empire, who lost their lives from war causes between August 4, 1914, and April 30, 1922, will be inscribed in the book, each entry to consist of the surname, Christian names, rank, decorations and unit, the arrangement to be alphabetical by years of death. Then there will be a page without names dedicated to Canadians who have died or may die from war causes subsequent to the last mentioned date. There will be a page without names dedicated to those Canadians who died from war causes while serving in other allied or associated armies. The names are to be inscribed by hand on vellum pages. The title page, as well as certain other pages, will be illuminated. The binding is under the direction of the chief binder of the public archives. The materials used are subject to the approval of the committee and are to be purchased within the British Empire, and when completed the book is not to be accepted without the approval of the committee.

The situation at present is this: The work is being carried on in a studio which has been set aside by the National Research Bureau. All essential material for the book, including vellum leaves, colour and gold leaf, has been bought and paid for. A model of the work, in actual size, has been constructed according to agreement and is in process of examination and review by the committee.

Mr. McGIBBON: I understand that some difficulty either exists or is anticipated in preserving this vellum paper. Would the minister be good enough to tell me what steps are being taken and what methods are being used to preserve that paper?

Mr. SUTHERLAND: The committee have consulted the Bureau of Research on that very question, and investigations are being carried on now as to the degree of humidity necessary in the atmosphere of the chamber in which the book will rest to best protect the vellum leaves. Everything is being done that can possibly be done along the research lines indicated by the hon. gentleman.

Mr. McGIBBON: Should not that be done first?

Mr. SUTHERLAND: It is being done on the vellum and materials that are going into the book.

Mr. CASGRAIN: May I ask if the same provision will be made for that book as for the other the hon. gentleman made reference to this afternoon, regarding publication in both languages?

Mr. SUTHERLAND: There will be nothing in this book except the names and dedications. It is to rest in the memorial chamber.

Item agreed to.

Government of the Northwest Territories—Department of National Defence—radio services—for maintenance and operation of the Northwest Territories radio system, $199,425.

Mr. MACKENZIE KING: How was this saving made which is indicated in this item?

Mr. SUTHERLAND: In these various depots in the north there is always a certain amount of building; some years less, some more. This year there is less building to be done.

Item agreed to.

Cadet services, $300,000.

Mr. RHEAUME (Translation): Mr. Chairman, the item of $300,000 under discussion refers to cadet training. At a time of depression, would it not have been more appropriate for the government to leave out this item instead of reducing it by $60, since the country has not the means, at present, to make such a large outlay for cadet services. The estimates of the National Defence were only reduced by $8,596.82, when those of Agriculture, Public Works and all other departments have been considerably cut down. The government should have spared the small wage earners and have further cut the estimates of National Defence.

Mr. SUTHERLAND: I regret that I cannot answer the hon. gentleman in French this year. I hope to do so some time. This item, as I explained last year, is for the current school year; it is already committed and there is nothing that can be done about it. The greater part of the money is already committed to be spent in the school year ending June next.

Mr. WOODSWORTH: Are we forever to go on with this vote on the ground that it is always voted a year late?

Mr. SUTHERLAND: That was the arrangement made a number of years ago.

Mr. WOODSWORTH: What steps can be taken to alter that arrangement?

Mr. SUTHERLAND: The hon. gentleman is an older parliamentarian than I am; possibly he can suggest some way.

Mr. CASGRAIN: Make a motion.

Mr. SUTHERLAND: The item is down $60,000. The principal reason for that is that during this year a number of cadet units have ceased to function, consequently we do not need that money.

Mr. WOODSWORTH: I do not wish on this occasion to repeat what I have said on a number of previous occasions, because I do not think any good purpose is served by so doing. But I wish to protest on behalf of my own group and the people I represent against a continuance of this grant for cadets. It seems to me that for several reasons it is not necessary. At this particular time when there is very great need for food and clothing on the part of large numbers of people, when there are very great expenditures that should be made to meet the exigencies of the present depression, it is foolish to spend these large amounts on cadet practice. Further than that, we as a nation have declared our renunciation of war as an instrument of national policy, yet we are deliberately maintaining policies of national defence. Our army and navy would not be so bad in themselves—we all recognize that they are not as expensive as are the armaments of some European countries—nevertheless they are a standing evidence of our suspicion of other nations, of the fact that we ourselves have not thoroughly agreed to give up war, that we expect that one of these days we may be forced to use these arms of the military and naval service. But more particularly I object to this grant to the cadets, because we proceed to teach the boys the use of force. Some people have been greatly exercised because there are certain people in our community who believe in the use of force in connection with class struggles. But I would point out to them that so long as the use of force is taught for the settlement of international questions there are many who will adopt the very logical conclusion that if it is necessary for the settlement of international disputes it may very well be adopted for the settlement of class disputes; and we are indoctrinating our boys in this way. I protest against it.

There is another point that I have urged before—I merely mention it again—I think this participation in the work of our schools is an invansion of our provincial rights. We have been told again and again that we ought not to contribute anything to the provinces for the promotion of peace, yet in this case we contribute to and almost force upon the provinces grants for what is, in my opinion, the promotion of war. I know some take objection to that and say it is not for that purpose, but if it is not for that it is a waste of money. It does in effect promote war ideals among our boys. I personally object to it, and I think there is a growing body of public opinion across the country that objects to it. It seems to me we should give notice to the minister that we do not expect that this vote will be continued.

Mr. MITCHELL: Recently the city of Toronto abolished cadet training. The observation was made, although not officially, that intimation had been given by the government that they were going to cut off the grant for cadet training. Is this to be the policy of the government in connection with future estimates?

Mr. SUTHERLAND: As the result of a cut in the estimates several years ago, no grant for clothing is made. No change is contemplated, although, as the hon. gentleman has said, the city of Toronto has discontinued its cadet corps and the vote next year will

not need to be as large. The hon. member for Winnipeg North Centre (Mr. Woodsworth) has spoken several times on this subject, but as yet he has not convinced me, and I do not think he has convinced the members of the committee, that the cadets are a military body. All that the cadet teachers seek to do is to instil discipline and cooperation, and it seems to me that at this time more than any other we should continue to do this work. Lack of discipline is largely accountable for some of our present difficulties.

Mr. WOODSWORTH: The city of Winnipeg has a system of physical training for both boys and girls which is, I believe, far superior to that given in the cadet corps.

Mr. HEENAN: As the government is now considering ways and means of saving money; as it is cutting down the wages of men who have families to keep, does not this vote, apart from all other considerations, afford an opportunity to effect a saving?

Mr. SUTHERLAND: The amount of this vote is committed before the beginning of the school year which closes this coming June, and there is nothing that can be done about it.

Mr. GERSHAW: Are rifles furnished to the cadets?

Mr. SUTHERLAND: The cadets are furnished with a limited number of 22 rifles.

Mr. GERSHAW: Is the shooting supervised by the ordinary teachers in the schools or by special officers?

Mr. SUTHERLAND: If this work is carried on by a member of the school staff he is given a course to familiarize himself with the subject; if it is carried on by a member of the permanent force, of course that would be part of his training. No instruction is given by anyone not qualified to do so.

Miss MACPHAIL: How much will be saved next year because Toronto has decided not to continue cadet training in the public schools?

Mr. SUTHERLAND: I could not give the exact amount, but undoubtedly there will be a considerable saving.

Miss MACPHAIL: Does the minister mean to say that the total amount of this vote has been expended already?

Mr. SUTHERLAND: Substantially it will have been expended by the end of the school year in June.

Miss MACPHAIL: If that is so, how can the thing be stopped? Must it be stopped on the initiative of the schools, as was done in Toronto? Apparently on cadets we are always voting money which has been spent already. What would the minister recommend in this connection?

Mr. SUTHERLAND: This has been the procedure for the past few years. As we know, the school year differs from the fiscal year, and this method was adopted some time ago as being the only one suitable to carry on this work.

Mr. MacINNIS: I think the deletion of this vote would meet with the approval of the country. Although the total amount is not very large, it would be a worth-while saving. Those who advocate cadet training do not do so upon the ground of discipline, they advocate it as a sort of physical drill. There is another point which I think should be drawn to the attention of the minister and the committee. This year the matter of the continuance of cadet training in the public and high schools was discussed by the Vancouver school board. The management committee before which the matter was first discussed decided that cadet training should be discontinued, but when the question came before the school board one of the trustees claimed that as this training was not costing the citizens anything, there was no reason why it should not be continued. That feeling is prevalent among school trustees; this is not a direct taxation upon the ratepayers of the particular municipality, consequently they assume that it does not cost anything. They do not realize that even though it comes from the Dominion government, it is a tax which must be paid. I believe that cadet training could be very well discontinued and a physical drill of some sort substituted; it would be better for all purposes.

Mr. LAVERGNE: I hope the minister sees fit to continue a vote next year for cadet training, at least in the province of Quebec. We have more cadets in that province than in all the other provinces put together, and this year we carried off the trophy offered by the Governor General. I should like to know just why the members in the far corner object to the cadet movement. Is it because these boys wear a uniform and carry a rifle? Is it because they are taught to recognize their duty to their king and country? Is it because they are being taught discipline? One hon. member said a moment ago that the cadet movement has been dispensed with in Toronto, and I am sure the hon. members from Toronto have listened with sorrow to what has been said about their good city. Probably it is that same spirit of which the Minister of Justice (Mr. Guthrie) spoke some time ago, that has

caused the discontinuance of the cadet movement in the city of Toronto. We in Quebec have recognized our duty to Canada for more than three centuries and we claim that our youth must be educated not to live in a false paradise but to be prepared to serve some day in defence of their country. We are not afraid that the military spirit will be inculcated into the youth of our province; on the contrary we hope that the government will continue to vote this item and foster the cadet movement so that it may grow instead of diminish, to the betterment to the youth of Canada and probably for the safety of Canada. Speaking as a Canadian of nine generations, I am sorry to see those who have recently come to this country attempt to destroy, at least in the people of my race, a love of country which has lasted for over three hundred years. They have given their best in the past and are willing to do it again.

Miss MACPHAIL: I have spoken so often against cadet training I do not think there is any use in repeating my arguments over and over again. If any hon. member wishes to know them, he can read them in Hansard. I am opposed to cadet training for various reasons. I am not, however, opposed to discipline if it is self-discipline. Everyone needs discipline, but if it is going to be of any real use, it must be the discipline of the individual over himself, and that is very different from regimentation. We have in this country altogether too much discipline of the sort that is not self-discipline but is the falling into rank. We have an educational system that is altogether too rigid, it does not encourage thinking—indeed discourages it—and cadet training carries this automatic system just one step further. I do not think it is any good from the point of view of military training; I cannot imagine what use it is from a military standpoint to have small boys or, at any rate, public school children lined up with rifles and wearing uniforms, except that it gives them certain thought forms, militarizes the spirit, but as regards training them to be soldiers, it is nonsensical, has no point. We need the money for the feeding of children of about the size of those on whom we are putting uniforms and to whom we are giving rifles. It would be much more sensible if this year we spent the money for food, clothing and medical and dental care of children rather than for cadet training. The fact that we are passing through the economic difficulties of which we are now in the midst is a strong additional argument against cadet training in both public and high schools, but particularly in the former. When the city of Toronto has come to realize that cadet training is ridiculous, that is the last thing that need be said about it. I believe Quebec is now likely to follow the good example set by Toronto. It is only in the last half dozen years that Quebec has taken an interest in cadet training and the number of cadets there has increased. In my opinion the reason is that the money being spent is federal.



Mr. LAVERGNE: Oh, no.

Miss MACPHAIL: That is my opinion, and I have as much a right to it as the Deputy Speaker has to his. If that is the reason, namely, that it is money that, so they suppose, does not come out of the immediate community—although in the last analysis it does—but comes from the federal treasury and therefore they try to get more and more of it, that is not a very sound argument in favour of cadet training. All the old arguments have been reviewed. It is a very good thing from a financial point of view for the teacher of cadet training, but from that of the boys themselves, from that of the financial condition of the country and from that of education, I think the argument is all against cadet training. While I am not going to move that the item be reduced, since the minister tells us that most of it is already spent, I should like to say once more that I am entirely opposed to cadet training in either public or high schools. I believe the tendency of public opinion is in that direction and the vote will decrease from year to year.

Mr. LAVERGNE: May I remind the hon. member, who holds such an opinion about Quebec, that she should travel through that province and she would find the money question is not the great object there. My people have been trained to believe that man does not live by bread alone.

Mr. SPENCE: The hon. member for South-east Grey keeps repeating that some of this money is for buying uniforms, yet the minister has stated two or three times that in the item there is no amount for uniforms. Cadet training is only voluntary in the city of Toronto and no boy has to train if he does not wish to do so. As regards Toronto stopping cadet training, this is only temporary because there is a diversity of opinion there. In the first place, it was thought, owing to the depression, it would be wise to cut down expenses to help out the government. Cadet training is the finest thing in the world for a boy. It brightens his intellect; it gives him good discipline and manhood. A man in the army who starts in the ranks as a private and continues until he becomes a captain, is

built up in manners and physique, and that is what cadet training does to the boy. I should have been glad if Toronto had not intervened; it was the biggest mistake they ever made, but the situation is only temporary and it will be changed later.

Mr. MITCHELL: I have listened to the observations of the Deputy Speaker. I do not know whether they were intended for me as a recent arrival in this country, but I should like to point out that I did my little bit so far as the past war is concerned and I think I can say without fear of contradiction I possibly served as long as did any other hon. member of this house.

Mr. JACOBS: That is why the hon. gentleman is a member of parliament now; it is his reward.

Mr. MITCHELL: Possibly. I think anybody who passed through that war and who would express the sentiments uttered by the Deputy Speaker, is a glutton for punishment. I had an experience of my own, although I do not like to speak about these things, where I saw men walk through eight inches of blood and salt water of the good young chaps to whom he referred. That should be a lasting lesson against anyone trying to inculcate in the minds of boys and girls who are growing up the idea that war is absolutely necessary. The depression through which we are passing was, it is admitted on every hand, largely brought about by the great war that took place between 1914 and 1918. I am in full accord with the sentiments expressed by the hon. member for Winnipeg North Centre and by the hon. member for Southeast Grey. I believe war is absolutely unnecessary; I appreciate the fact that unless one passes through it, it is hard to understand the enormity of it, and unless those who went through the last great war preach its utter uselessness to the young people who are growing up and who have not had that experience, there is no reason why there should not be another war.

Mr. WOODSWORTH: I want to say just a word to the hon. member for Montmagny, who wonders why some of us are opposed to this vote for cadet training. He rather intimated that he is of the older Canadian stock and that some of us are very new arrivals. Some of our ancestors may have come here a little bit more recently than his, but I am of the old Canadian stock, of three, four or five generations, and a number of my people came over after the revolutionary war in the United States; therefore I think I have just as much right to speak in the house as have some of the hon. members from Quebec. Further than that, he suggested that we should have cadet training because of the virtue in being able to defend our country, to give our lives in the service of our country; and he went on to quote the Scripture, that man shall not live by bread alone. As the father of four boys I earnestly hope that not one of them will lift a sword or shoulder a gun. Some may laugh at that, but I have a right to my own opinion. I am just as earnest and just as zealous as anybody in wishing to see my own boys develop all the virtues and all the patriotism and all the devotion to their country that anybody should have, but I think we have reached the point in our civilization when we ought to teach our boys that they can show their devotion to their country in some better way than by fighting. I had hoped that that was the great lesson that was taught by the last war, and those of us who feel that way have a perfect right to advocate another type of virtue rather than the military virtue. It is for that reason above everything else that I oppose this vote for the cadets.

Mr. LAVERGNE: I think the hon. member for Winnipeg North Centre is a little too sensitive. We are all with him in being opposed to war. Nobody wants war, but I think that those who have kept their heads upon their shoulders know that the best way to prepare for peace is to be ready for war. That is a very old saying, and it is very well known to be true.

Mr. DUFF: Keep your powder dry.

Mr. LAVERGNE: Yes. My hon. friend from Winnipeg North Centre is often quoting the example of Russia. He should take another trip to Russia—not as a tourist this time—where he would see quite a number of cadet corps in training, as any well informed magazine, English, French or Italian, will tell you. Just read the last issue of La Revue des Deux Mondes, of Paris, which quotes an agent of Moscow whom my hon. friend knows well, Mr. George Williams of Saskatchewan, who I believe is very closely related to the Cooperative Commonwealth Federation.

Mr. WOODSWORTH: Let me reply briefly. It seems very strange that one cannot make a remark along this line without some hon. member immediately suggesting Russia. I have no objection; I intend to say what I want to say. One of the things in respect to which I have been most critical of Russia is that that country has depended upon force, and I have stated so frankly and openly ever since the Russian revolution. I am opposed to military force in Russia just as I am opposed to it in Canada. I know that the

Russians are training, and I am very sorry for it. Were I in Russia I would try to assert my position, though it is likely I would have my head taken off. We are better off in that regard in Canada, and I am thankful as a Canadian that I can assert my position without being rushed off to Siberia or anything of that kind.

I challenge the main point of the last speaker, that the way to prepare for peace is to be ready to fight. This idea may have come down to us from antiquity, but I do not believe it is true. The fact that we have had so many wars proves, I think, that it is untrue, because all nations that have prepared for war in the past have found that such preparation inevitably led to war. I recall a very fine speech which the Prime Minister made a few years ago, in which he took the position I am taking to-night—that as long as men have the instruments of war in their hands they are likely to use them. I believe that is undoubtedly true. If it were not so, why should we be having a disarmament conference to-day through which we are trying to establish peace on a different basis than that of armament? If indeed we are disappointed in the disarmament conference is it not because each man believes in his own heart that it will ultimately be necessary to fight?

Mr. POULIOT: I am pleased indeed to note that this vote has been decreased by three-fourths, but there is still one-fourth left, which might better be nothing. I remember distinctly urging upon the house last year the desirability of giving footballs and baseball bats and boxing gloves to our young boys instead of guns and drums and other militaristic paraphernalia. We on this side are not to be insulted because we do not share the views of the government members. We are free to have our own views and to express them just as are the government members. I am opposed to cadet training. I thing it is most foolish to see young boys who are just growing up being trained in the militarist system. Do you not think it is foolish, Mr. Chairman? We advocate peace. We now have the Royal Canadian Mounted Police looking after those who shoot migratory birds; we have them acting also as truancy officers to look after Indian children, and now our young men are to be trained so that when they grow up they will be able to replace those who are not British-born in the Royal Canadian Mounted Police. We have our boys in our colleges being trained as soldiers. It would be better for the government to subscribe $25 or so to the different schools for the purchase of footballs, baseball bats, and boxing gloves so that our young boys would get the benefit of the sport and physical exercise. Boxing would be a good thing for every member on the other side of the house, and it would be much better for us to box with them than to shoot at them because we might kill them. We do not want to kill them, because, in the words of the great St. Augustine, we seek, not the death, but the conversion of sinners.

My hon. friend from Montmagny said that he was in favour of cadet training. That is his own business, but he need not drag in anything about Russia just because some members of this house do not share his views. I have never been to Russia, and the hon. member knows as well as anyone in this house that I have nothing to do with communism or Russia or the Soviet or the U.S.S.R. I am not interested in them at all. I try to advocate common sense in this house, but unfortunately I am not very successful with hon. gentlemen opposite. The government subscribes hundreds of thousands of dollars to the League of Nations to prevent war, and at the same time trains our young boys in the warlike spirit, with instructors to shout at them, "Right, left, right, left!" They are being trained to be militarists. We hear a lot of drum-beating. I do not know whether my hon. friend from Long Lake is a bottle or a drum, but he makes a noise just the same. I am not surprised that he is in favour of the cadet system, but I am surprised that my hon. friend from Montmagny should share his views. They kiss each other. They should not. They should keep a certain distance.

Mr. LaVERGNE: Is my hon. friend jealous?

Mr. POULIOT: I am not. I am not in favour of it at all; in fact, I do not understand it. Is it not possible for the genial Minister of National Defence to appreciate that we wish to prevent war as much as anybody? I think he does too, and so much so that perhaps he would resign in favour of the hon. member for Southeast Grey, who everyone knows would abolish the Department of National Defence as soon as she became its minister. Would it not be possible for my good friend the Minister of National Defence to reconsider his decision concerning this vote? The children in Canada who are now in cadet corps would be just as healthy if the government would spend this amount in buying them footballs, bats, boxing gloves, hockey pucks, and the like.

An hon. MEMBER: And golf balls.

Mr. POULIOT: Yes, and golf balls, or tennis racquets. The government would make the children happy, and would not instil into their minds that warlike spirit which cadet training engenders. I am sure if the minister would postpone his decision until to-morrow he would agree with me, because as we say in French, la nuit porte conseil.

Mr. COWAN (Long Lake): I am pleased beyond measure to state that this is one of the happiest nights I have ever spent in this chamber. I have discovered that the hon. member for Winnipeg North Centre is ashamed of being called a Russian, that he does not want to be a Russian, and that he does not want to live in Russia for fear they may cut his head off or transport him to the Arctic regions. Secondly, I have discovered that my good friend from Témiscouata is afraid to fight. He is scared of getting into a scrap for fear he may get a licking. At last I am safe. For my part I believe thoroughly in cadet training for our boys at school. During my term of office on the Regina collegiate board I found that the boys wanted to have that training; they wanted to learn how to defend themselves. They did not want to lick anybody, but they would be hanged if they were going to let anybody lick them. That is still their spirit.

Mr. POULIOT: The chief difference between the hon. member for Winnipeg North Centre and the hon. member for Long Lake is that the hon. member for Winnipeg North Centre has a beard and the hon. member for Long Lake has not.

Mr. LAPOINTE: I do not think it is fair to state that hon. members who do not favour this item are following the example set by people in Russia. In my view the contrary is the case. The fact is that in Russia to-day there is more military training than in any other country of the world. Under ordinary circumstances I should be happy to agree with the hon. member for Montmagny, but during these times when so many children have no food I believe it would be better to use this $300,000 to provide food and shelter for them than to put arms or weapons in their hands.

Miss MACPHAIL: Since the beginning of the debate on this item I have noticed a full page advertisement in the Ottawa Journal headed by the words: "Share or children suffer," and then, in smaller print, the following:

> When do we eat? That's the query expressed at regular intervals by the hungry youngster everywhere. Whether it is voiced in words or carried by a cry, it must be answered.

When it is found necessary in Ottawa, the city of Canada least touched by the depression, to insert a full page advertisement of the type I have described, surely it is nonsensical at the same time to be voting $300,000 for the military training of school children. I therefore move seconded by Mr. MacInnis:

> That vote No. 84 be reduced by the sum of $30,000.

which is the sum being asked for by the United Charities drive in Ottawa.

Mr. SUTHERLAND: Mr. Chairman, the hon. member for Southeast Grey apparently has a reason for her amendment concerning the reduction of this vote. It would seem that she has based it on an article appearing in an Ottawa newspaper. We know that there is a great deal of suffering throughout the country; no one denies that, and no one regrets it more than hon. members of this house. But the people of Ottawa will be able to handle any problem with which they may be confronted. The point made by the hon. members for Southeast Grey and Winnipeg North Centre is that the cadet movement is of a military nature. On that point I must differ from them, because in no sense is it military. The fact that young lads are given certain elementary drill which is given to soldiers does not indicate that they are receiving military training. There is no suggestion of military training unless in the minds of those taking part there is the object of defeating some enemy. In the cadet movement there is nothing of that kind.

Miss MACPHAIL: Why carry rifles if there is no idea of an enemy?

Mr. SUTHERLAND: Rifle shooting is a sport, the same as any other game in which young people take part. It develops precision of aim and steadiness of nerve, and is one of the best exercises for mind and body. The small rifles used by the cadets have no connection whatever with military training. When soldiers manoeuvre on drill parade they have in mind an enemy, and at that time and under such conditions they are under military training. But cadets may march along in fours with no idea of an enemy at all. They merely have setting up exercises, and are taught respect for authority and discipline. This government has never urged cadet training on any community. The hon. member for Vancouver South has told us that in Vancouver they took the stand that as they were getting their cadet training for nothing they might as well have it. Such an understanding would

not be correct, because if Vancouver cadets are wearing uniforms they will have to pay for such uniforms themselves. The cost of uniforms is one of the greatest costs in the cadet movement. Owing to the difficult times through which some cities are passing the cadet movement has been temporarily shelved, as has been described by the hon. member for Parkdale. Well and good; we do not urge that other action be taken. However there is a demand on the part of many people and many schools to have the young people taught the elementary principles of discipline. The hon. member for Southeast Grey realizes the fact that for some considerable time there has been provision in the estimates for this expenditure, and to cut it down as the hon. member has suggested—

Miss MACPHAIL: It cannot all have been expended if it carries on until June.

Mr. SUTHERLAND: The cadet movement in Toronto will not be stopped until the end of the present term. In my view it would be a breach of faith on the part of hon. members to support the amendment suggested by the hon. member for Southeast Grey.

Mr. SANDERSON: I should like to make just one or two observations in connection with this item. I understand that the greater part of this vote is already spent or has been promised. Is that correct?

Mr. SUTHERLAND: Yes.

Mr. SANDERSON: That being the case I suppose the house is bound to pass the item, but before that is done I should like to say this: I am not opposed to cadet training under normal conditions. I know something about cadet training, and I never have been opposed to it. But I would go so far as to say that if there is any item that should be curtailed under existing conditions it is an item such as this, representing something without which we can get along very well. We can take it up again when conditions throughout the country are normal. I would not go as far as my hon. friend from Southeast Grey has gone in her argument, but up to a certain point I support what she said. Under present conditions throughout the country, with a vast army of unemployed, with our basic industry having such a hard time, with this government as well as provincial and municipal governments endeavouring to economize in every possible way, this is one place where some curtailment could be made. The government would have been well advised had they taken the initiative and cut out this item for this year; I think they would have been supported by the majority of the people throughout the country. The very fact that in Toronto they have come to the conclusion that they can get along without cadet training for this year supports my statement, and the trustees of schools in many other places throughout Ontario and other parts of the country have decided that for this year at least, and until the depression is over and conditions get back to normal, this is an expenditure that can be very well diverted into other channels.

I should like to support the motion of my hon. friend from Southeast Grey, but since the government have made commitments I do not know that I can do so. As a matter of principle, however, I do say that whatever government is in power next year should see to it that if conditions have not improved throughout the country, the expenditure on cadet training is entirely wiped out.

Mr. HEENAN: I am glad to find that other members of the house believe that under present conditions we could very well save this amount of money. I am reminded that under the peace, order and good government legislation passed by the government they have power to do almost everything except declare war, and I am not sure that they cannot take that step. I do say that with present conditions throughout the country the government should have seen to it that no money should be spent in this way. They are dismissing civil servants, even in the Department of National Defence; they are reducing the wages and salaries of civil servants; they are giving large sums of money in direct relief, and I am sure this $300,000 would have gone a long way in other directions.

The other day I asked a question as to the amount of direct relief that had been granted by the government to certain towns and cities throughout Canada since the relief measures were first brought in. In round figures the town of Kenora has received $3,000; Fort Frances has received $6,000, and Dryden has received only $187. We could have done a great deal with this $300,000 in relieving distress in northern Ontario, and would it not have been better for the children in that part of the country to have the money spent in that way rather than on cadet training? I was glad to hear the hon. member for Parkdale tell us that Toronto has led the way, even though it is only a temporary measure, and I am disposed to support the motion of the hon. member for Southeast Grey. I think this money should be spent on relief, not in Toronto or Ottawa but in northern Ontario, where relief is carried on in such a parsimonious manner.

Mr. MacINNIS: I find it very difficult to follow the logic of the hon. member for Montmagny. This afternoon he opposed a bill which gave the mounted police authority to act as truant officers in certain cases because it had to do with compulsory education, and the province of Quebec is opposed to compulsory education. I am in favour of compulsory education, but I am very strongly opposed to compulsory cadet training. The minister may say that this training is not compulsory, and in theory he is correct. Nevertheless it is compulsory because of the ostracism of those who do not take part in it. Now the minister tells us that this has nothing to do with military training, but the Deputy Speaker tells us that military training is its real purpose. I am at a loss to know which hon. gentleman to believe. I rather think I will accept the point of view of the Deputy Speaker rather than that of the minister, because it agrees with my own experience. The hon. member for Montmagny sought to prove that this training is military by saying that the only way to have peace is to prepare for war. If that is so we should save the expense of sending delegates to the disarmament conference, in order that peace might come all the sooner. I am absolutely opposed to this item, particularly at the present time when so many children throughout Canada are going to school without having received enough nourishment even to enable them to carry a gun.

Mr. MACKENZIE KING: I should like to ask to whom the commitments have been made with respect to cadet training, and what is the form of the commitment.

Mr. SUTHERLAND: The arrangements were made last September with the various school boards throughout the country. The government agreed that certain grants would be made to their cadet corps for the school year beginning in September last and ending next June.

Mr. MACKENZIE KING: Then, as I understand it, the government makes its contract with the school boards. Two or three years ago the present administration put through an act respecting technical education, by which provision was made for the granting of certain sums of money each year from the federal treasury for technical education. But the government has not allowed the provisions of the law to be given effect to, so I believe, since it was enacted, on the score that the times were difficult and that it was not desirable to spend that money. The government I believe was wise in taking that step. I think the government would have been still wiser if they had followed the advice given by the opposition at the time and not reintroduced the technical education grants. They have not been able to carry them out; they might just as well have left the matter where it was. But if the government have found it necessary to refrain from spending further money for technical education, I do not see what justification they have for continuing to spend money through agreement with school boards for cadet training. One has only to mention the two side by side, in order to disclose how strong the argument is for withdrawing this grant at the present time. I would like to ask the hon. minister, is he prepared to say that, with respect to next year, he will communicate with the school boards informing them that the government is considering withdrawing grants for this service for the next year? It is altogether probable that we will not be out of the present depression inside of a year, and one-third of a million dollars is worth saving. It may well be that many a school board would welcome the opportunity of being freed from additional outlays on this score. I would ask the minister if he is prepared to give the house an undertaking that he will take up that matter with the school boards with a view to seeing if this amount might not be dispensed with next year.

Mr. SUTHERLAND: That of course is not a departmental matter; it is a matter of government policy. The government knows the discussion that goes on and undoubtedly will consider it, but I am not in a position to give a declaration on a matter of government policy.

Mr. MACKENZIE KING: Well, someone in the government must be able to give it. Perhaps the Prime Minister will give it. But I must say to the minister that I do not think he can hope to get his estimates through this house by seeking to evade all responsibility. Estimates are framed with a view of giving parliament control over public expenditure. Now he tells us we must vote this money because it is already expended according to the form in which he is presenting his estimates. The minister is asking for one-third of a million dollars to be spent in the next fiscal year, the year 1933-34, a year we have not yet entered upon. He cannot evade his responsibility by saying that the estimates are not in a form which permits him to give an undertaking to the house in regard to expenditures for the next fiscal year; nor can he evade it by saying he is not the

minister of the department. He is responsible for the department, and he is asking parliament now as part of his militia services to vote $300,000 for cadet service. He inserts the item in his estimates as part of the militia service; he must be responsible. Surely the minister is in a position, as head of the department, to say that he is able to negotiate with the school boards. Surely he does not have to go to the Prime Minister to get that authority, nor to the government as a whole. If he has to do so, I wish he would let the item stand until he can inform us what the policy of the government is in regard to the matter.

Mr. SUTHERLAND: The right hon. gentleman has no reason to lose his temper on this. He knows very well indeed that he has taken up wrongly what I said, and he also knows that this item is not for the next year. It is the same practice that his own government followed during the years that they were in power. He knows very well that I cannot make a decision at this time as to the figures that would normally appear in next year's estimates. I think my explanation was very full and clear, and the interpretation the right hon. gentleman put upon it was entirely wrong.

Mr. MACKENZIE KING: I still wish to maintain the position I have taken. I do not think the hon. minister gains anything by saying I have lost my temper. I have not lost any temper; he knows that very well. He may think it will read well in Hansard to have it so appear, but that is a very trifling way to go about a matter of this kind. What I wish to repeat to the minister is this: He is now asking parliament for an appropriation for the fiscal year 1933-34. That is true, isn't it?

Mr. SUTHERLAND: As I have explained several times—and the right hon. gentleman is too astute a parliamentarian not to follow me—I have followed the practice that has been followed for a number of years, in saying that this item applies to the current school year, not to the current fiscal year. The time for which the greater part of this estimate applies expires at the end of June this year, when the school year finishes.

Mr. MACKENZIE KING: Then that is clear. What the hon. minister is now asking for is enough to enable him to pay what will be outstanding at June of the present year.

Mr. SUTHERLAND: Quite so.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: That will leave nine months of the next fiscal year for which no appropriations will have been voted by this parliament. I want next to ask the minister, so that we will know where we stand next year: is he prepared now to give the house the assurance, if we vote what is required to make good the commitments that expire in June of the present year, that between now and June he will take up with the school boards the advisability of the government discontinuing further grants from June, 1933, for at least another year, so as to save that amount out of expenditures in what will belong mostly to the fiscal year 1933-34?

Mr. BENNETT: I think the right hon. gentleman will realize that what is being done in this case is what has been done during the years he held office. The school year and the fiscal year do not end on the same date. Owing to the fact that the school year ends on the 30th of June, 1933, the part of the vote to make good that expenditure will naturally come in the fiscal year that ends 31st March, 1934, because March precedes June. March, 1933 will have ended before the obligation will have been completed to the end of the school year in June, 1933. That is only a matter of accounting. But there is another phase of the question, that to which the right hon. gentleman has just now directed attention; that is, whether or not it might be possible for this government to undertake that it would not incur further responsibility with respect to the cadet service. Unfortunately, or fortunately—that is a question of opinion—the matter does not rest in just that way. As the right hon. gentleman knows, the school districts have had held out to them—shall I say by the governments of Canada—the promise that if they maintain certain services assistance will be given from the federal exchequer to enable it to be done. I dare say the right hon. gentleman recalls what was done by the late Lord Strathcona in connection with cadet services. There meets once a year a certain body of men appointed by the Strathcona trust for the purpose of dealing with cadet grants. We have undertaken—when I say "we" I do not mean this government; I mean this country—that in the event of the school districts concluding that they are in a position financially and otherwise to carry on a certain cadet service, we will supply them with certain sums of money that have a direct relation to the money they expend. I do not carry the exact figures in my mind; I doubt not some member of the committee has in his mind the

exact amount that we pay with respect to the amount expended by the school authorities. I should not be surprised if the hon. member for Perth would know whether or not it is dollar for dollar, or seventy-five cents to the dollar, whatever it may be. That is the position of this item at the moment; we have outstanding a promise on the part of the Dominion of Canada that under certain conditions it will pay certain sums of money. That is my understanding of the situation as I went into it some time ago. If for instance the authorities in Calgary conclude that they are unable financally to carry it on, and abandon the service, there is no longer any grant from this government for that service; it will end on the thirtieth of June this year; it is not being continued by Calgary, therefore there is no payment by this government to Calgary. There is one other city in which it was discontinued—

Mr. MACKENZIE KING: Toronto?

Mr. BENNETT: I was not sure; I thought it was one of the western cities. The same position obtains, that is, there is no longer an obligation to pay because the service has been discontinued. The grant now being sought is merely to implement obligations which have been incurred. I am satisfied that this is the same practice as prevailed during all the years the right hon. gentleman as minister was responsible for the passing through parliament of similar estimates. Undoubtedly in two cases no grant will have to be provided for another year, and although I am not sure I think there is another city in which the same position has been taken. In view of what has taken place in the past it would not be my judgment that the minister could ask the school districts to take a certain course. They are masters of the situation; they determine whether or not they will make any expenditure. When they determine that they will not, our obligation ceases. My understanding of the matter at the moment is that a very much lesser sum will be expended because of what has taken place this year. The vote which we are just passing deals with obligations which have been created; because of contractual relations between the dominion and the school districts, financial obligations have been created which must be discharged under the terms of our arrangements.

Mr. MACKENZIE KING: Before the right hon. gentleman came into the chamber I had made reference to the action taken by his government with respect to technical education. In 1931 the present government enacted a measure with respect to continuing grants for vocational training and technical education. That was done against the advice of hon. gentlemen on this side. When the government found they were going to be hard pressed for funds, they took up the matter with the provinces, and, as I understand it, arrived at an agreement whereby no payments whatever were to be made. Whether or not agreements were made, I do not know, but I know that the act has been a dead letter, and that nothing has been paid out under its provisions. The government was justified in taking that step, as it saved a million or more dollars yearly, possibly considerably more than that when we consider payments which would also have had to be made from other treasuries. If the government thought it advisable to take that step with regard to technical education, surely the argument in favour of reduction is much stronger when applied to cadet services. I am not asking that the item before us should not be passed for this year, as anything for which commitment has been made up until June has to be paid, but I am suggesting to the government the advisability of discontinuing this grant for at least a year thereafter. I do not at the moment suggest its discontinuance for longer than a year. We are at the present time cutting down in as many directions as possible. As has been pointed out, ten per cent is being deducted from the salaries of civil servants and economies of every kind are being attempted if not in fact practised. Surely, when two school boards in large centres of population have found it desirable to discontinue cadet training, the minister could with advantage to all make arrangements which would save a third of a million dollars for an ensuing year. That is all I am asking, and I hope the government will consider this phase of the matter and advise that it is being done so that a year hence, we will not be told that commitments have been made for nine months and that therefore, we must carry them out.

Mr. BROWN: Would the Prime Minister explain a little more fully his reference to Lord Strathcona? Is it a fact that because of some action of Lord Strathcona the government has been committed to a certain policy from which it cannot recede? If that is so, it would seem that we have started a machine which we cannot stop even if we want to.

Mr. BENNETT: If I had thought this matter would engage the attention of the committee I would have brought the necessary documents with me, although I would have expected that the hon. gentleman would be familiar with the so-called Strathcona trust with respect to cadets. The officials have been

able to furnish me with the constitution of the Strathcona trust for the encouragement of physical training and military drill in public schools. It reads:

The following shall be the officers of the trust:—

Patron—His Excellency the Governor General of Canada.

Vice-Patron—The Right Honourable Sir Wilfrid Laurier, G.C.M.G., Premier.

President—The Honourable Sir F. W. Borden, K.C.M.G., or the Minister of Militia for the time being.

Vice-Presidents—The minister in charge of education in each province in the dominion which shall have notified its adhesion to the arrangements regarding physical training and military drill in public schools, sanctioned by orders in council of August 13, 1908.

Executive Council—

(a) The Minister of Militia and Defence for the time being, chairman.

(b) The members of the militia council for the time being.

(c) Two representatives to be named by the minister in charge of education in Ontario. Two representatives to be named by the minister in charge of education in Quebec. One representative to be named by the ministers in charge of education in each of the remaining provinces.

Subject to the condition that the province represented must have notified its adhesion to the arrangements regarding physical training and military drill in public schools sanctioned by orders in council of August 13, 1908.

(d) The military officers commanding commands and independent districts in Canada. With a secretary to be detailed by the chairman from the staff of the Department of Militia and Defence.

The trust is to be administered in the manner set forth in paragraph 2. Paragraph 3 provides for rules and regulations and the constituting of a local committee for each province. Section 4 reads:

The local committees shall be charged with—

(a) Ensuring that the means of instruction in physical and military training are available for both teachers and pupils, where required.

(b) Division of the province into convenient districts for purposes of supervision and competition.

(c) Arranging details of the training to be given, so as to suit local conditions.

(d) The arrangement of competitions and inspections, and allotment of rewards, in accordance with the general instructions of the executive council.

Paragraph 5 reads:

The following are the general principles in accordance with which the trust shall be administered.

(a) His object being not only to improve the physical and intellectual capabilities of the children, by inculcating habits of alertness, orderliness and prompt obedience, but also to bring up the boys to patriotism, and to a realization that the first duty of a free citizen is to be prepared to defend his country, the intention of the founder is that, while physical training and elementary drill should be encouraged for all children of both sexes attending public schools, especial importance is to be attached to the teaching of military drill generally to all boys, including rifle shooting for boys capable of using rifles. All boys should so far as possible be made to acquire a fair acquaintance while at school, with military drill and rifle shooting.



Then follows an extract from a letter from the Right Hon. Lord Strathcona and Mount Royal to the Hon. Sir F. W. Borden, K.C.M.G., Minister of Militia and Defence, dated April 17, 1909, reading:

It is not my desire to make any alteration in the trust deed, as formulated by you.

Order in council, P.C. 1766, dated August 13, 1908, reads in part as follows:

The Minister of Militia and Defence submits the following synopsis of proposals entered into between the educational authorities of the province of Nova Scotia and himself respecting physical training and military drill in all public schools of that province.

Then follows substantially a reproduction of what I have read already. That trust, I believe, is still being carried out under the arrangement provided for in the trust deed itself.

Mr. BROWN: What was the amount of money mentioned?

Mr. BENNETT: Half a million dollars. The note handed to me by the officials of the department reads as follows:

It will be seen that the original amounts placed wtih the Receiver General by Lord Strathcona were $300,000 and $200,000, respectively; and that these amounts may be withdrawn at the wish of the trustees only. These amounts have not been withdrawn to date.

The interest on this $500,000 fund is placed by the Receiver General to the credit of the trustees in an interest-bearing account at the Bank of Montreal, Wellington and O'Connor streets, in half-yearly instalments of $10,000 each, on or about May 15 and November 15 of each year.

The amount of the interest, $20,000, is distributed annually to the provinces on the basis of the number of school attendants as furnished by the department of education of each province.

The interest earned on the deposits of $10,000 half-yearly at the Bank of Montreal is used for expenses of the trustees, such as printing, postage, et cetera.

I merely mention the trust deed as I was dealing with the point raised by the right hon. gentleman. I am not able from memory to say whether the dominion would be in a position to approach the provinces, or whether, having regard to the terms of the existing arrangements, the approach would have to be made by the discontinuance of the grants for cadet services by the school district either in the municipalities or through the province

itself; for the Strathcona trust, as will be observed, is dealt with by the education authorities in all the provinces. But my memory is that the local advisory committee deals with the matter from the standpoint of the school districts or the board of education in the municipalities affected. My memory, for what it may be worth—and I do not pledge it as being accurate in the matter—is that until such time as the school authorities withdraw from it, the dominion would be bound to give effect to the arrangement under which we pay a certain proportion of the money thus expended. That is my recollection of the situation, but I would have to satisfy myself as to its accuracy, and I regret I am not in a position to give any further information to the right hon. gentleman. I do not, however, think we are in a position to say we shall not do so and so with respect to expenditure, but the option rests with the school authorities and not with us, and if they persist—I shall use that word—in carrying on the services, we are bound by and could not in decency and honour withdraw from the obligation which we deliberately accepted. The option does not rest with us to say to them: We shall not pay. But if they make their arrangement and carry on for a time and then decide to discontinue it, we can also discontinue it. Toronto, the hon. gentleman stated, and certainly Calgary, said that they exercised their option and would no longer maintain the service, the automatic result being that the dominion was not called upon to make grants.

Mr. BROWN: It is quite evident from the statement read by the Prime Minister that notwithstanding what the Minister of National Defence said, it is military training for which provision is made.

Mr. BENNETT: No; for both sexes.

Mr. BROWN: But special reference was made to young men, and military training is distinctly mentioned in more than one place. So that the Minister of National Defence is entirely wrong in his statement that this does not provide for military training.

Mr. POULIOT: If the training is for both sexes, there will be no weaker sex.

Miss MACPHAIL: Would the Minister of National Defence mind reconciling before the committee the two positions taken tonight: that taken by the Strathcona trust, which definitely states that it is military training, and that taken by the Minister of National Defence, that cadet training is not military?

Mr. SUTHERLAND: Undoubtedly in the cadet work there are drills used that are in the military book; you cannot get away from that, as I have already tried to make clear. Whatever the idea was that Lord Strathcona had in mind, I know how the movement has been administered during the last number of years, not only during my incumbency in office, but also during the last regime. There was no idea on the part of either government of inculcating militarism in the minds of those boys. I am just as firm in that now as I was before. I may say that the department realized last year the difficulty and since last March no new units have been authorized. This is carrying out the policy of retrenchment and of discouraging any new units at the present time.

Mr. ELLIOTT: Have any new units asked for the grant?

Mr. SUTHERLAND: Yes.

Mr. ELLIOTT: And they have been refused.

Mr. SUTHERLAND: Yes, and have been refused.

Mr. ELLIOTT: Then the minister has it in his power to refuse them?

Mr. SUTHERLAND: To refuse new units. It has been asked that new units be formed, but no units have been formed since March of last year.

Mr. ELLIOTT: Just a word as to the situation as it appears to me from the discussion that has taken place. For a number of years there have been debates in the house as to the advisability of making these so-called grants for cadet training. If there is a doubt about whether the government can refuse to make the grants, of course all the discussion of those years has been useless. The answer would have been very simple: We cannot prevent it. That is, if that is the situation. Apparently neither the Prime Minister nor the Minister of National Defence is in a position to say definitely that the government is or is not bound to go on with these grants. It seems to me it is a very remarkable position into which the government has got itself, and I am not referring particularly to this administration.

Mr. BENNETT: I am just now informed that the option is exercisable by the education authorities and not by the government.

Mr. ELLIOTT: That means that it is only by the education authorities that these grants, once they have been started, can be discontinued.

Mr. BENNETT: Yes, but the government has to accept the unit in the first instance, and the minister has said that they are not accepting any more.

Mr. ELLIOTT: What strikes me as rather remarkable about the explanation is that the government has power to refuse to make a grant in the first place, but once the grant is made, the government is helpless in the hands of the school authorities. I cannot for a moment imagine that is the position of the government.

Mr. BENNETT: That is so about many things.

Mr. ELLIOTT: It may be so about many things, but I doubt very much if it is so in regard to this, because, if it had been so, that would have been such a simple answer to give years ago when criticism was made of continuance of the grant. The simple answer would have been: We are powerless to refuse to continue it. As regards the obligations so far incurred by the government, I am not prepared to vote against them, but I believe in the present state of the country's finances it should be made quite clear that, when cities like Toronto and Calgary, which perhaps are as much interested in military training or cadet training, whichever you choose to call it, as any other municipality in the dominion, have seen fit to discontinue it on account of the financial position in which they find themselves, no very great hardship would inure to other municipalities from one end of Canada to the other were they to follow the same course. If Toronto is unable financially to continue at the present time with cadet training, that is pretty strong evidence that it should be discontinued throughout the country. If notice were given now that after June of next year this government does not propose to continue the grants for the following year, surely no school authorities would insist upon the grants being continued. We have reached the time in the finances of Canada when they must be cut to the bone, and I believe this is a very good time to make it apparent that for the coming year, at any rate, this grant will have to be discontinued.

Mr. SPEAKMAN: I have been following as carefully as possible the explanation that has been given. As I understand it, we are bound by contractual obligations. Some three or four years ago this vote was approximately $600,000; to-day it is $300,000; it has been cut in half. Was the whole of that reduction of $300,000 made upon the initiative of the school boards, or was part of it made upon the initiative of the government? It would look as though some at least of the school boards throughout the dominion must have come to the conclusion during the last four or five years to drop cadet training, otherwise the vote would not have been reduced as it has been.

While I am on my feet, I may say that I have never felt very strongly on the cadet movement. I have been in contact with a good many cadets, and I realize the benefit they receive in many ways from their training. I am not going to discuss the question from that point of view at all. But in these days when we are cutting the salaries of the civil servants and finding it difficult to meet our essential obligations, I am thoroughly satisfied that this is one of the places where we could make a saving with less suffering and less hardship than would be caused by cutting any other expenditure on the whole list, and so I would strongly support the suspension of these grants for the present time at least. To repeat my question, was the entire cut of $300,000 which has been made in this vote in the last four or five years made on the initiative of the school boards?

Mr. SUTHERLAND: When this government came into power, the vote, if I remember correctly, was $500,000, and the cut was made by doing away with the grant towards uniforms.

Mr. SPEAKMAN: Was not that a part of the contractual obligation to the same extent as the rest of the vote?

Mr. SUTHERLAND: No, that was something which the government itself gave. There is one other point which has not been mentioned. Many of the school boards have engaged an instructor who is qualified to give this training. Also it must be remembered that there is a strong feeling in many parts of Canada in favour of the cadet movement. Many members have mentioned the feeling in Toronto. If Toronto gives a lead like that, I expect to hear of other cities doing the same thing, and if they do, there will certainly be no pressure on them to continue. On the other hand, wherever a school board feels that it has a just claim to the grant, built up during the years, I do not see how it is possible for us to tell them that the grant will be abruptly discontinued. But my own personal opinion is that there will be a cut in the vote for the reasons which have been given.

Mr. SPEAKMAN: One further question. I am not basing any argument upon the popular feeling in the country; I am con-

fining myself entirely to the question of our contractual obligations. As I understood from the minister, our contractual obligations do not cover that part of the grant which is expended on uniforms, and therefore the government had the right to take the initiative and withdraw that part of the grant. The minister did not quite answer my question as to whether the school boards had taken the initiative in the matter, although he did indicate that the government had the power to take the initiative in respect of that part of the grant which is expended on uniforms. Would the minister indicate that part of the grant which is under the control of the federal authorities, and also that part in respect of which initiative in the matter of reduction must be taken by the school authorities? Because it is obvious that the contractual obligations are not as great as they were originally, according to the minister himself.

Mr. SUTHERLAND: The assistance which they are now getting is what I would call the contractual obligation of the government.

Mr. MacINNIS: Some attention has been given to our contractual obligations in this matter. I do not know for how many years the grant for cadet training has been made, but I notice that in 1928, owing to the cancellation of certain regulations for the cadet services, the grant was reduced considerably. For instance, there was a reduction in the grant caused by the cancellation of paragraph 63 of the regulations for the cadet services of Canada, which reads as follows:

A grant of one dollar towards the provision and upkeep of uniform and twenty-five cents towards the provision and upkeep of a suitable military head-dress will be paid annually for:

(a) Each cadet inspected in a complete serviceable military uniform:

It is well to note the "suitable military headdress" and the "military uniform." The regulation continues:

(b) Each cadet whose absence from the inspection parade the inspecting officer is satisfied is due to illness, or other unavoidable cause and whose uniform and head-dress have been produced for inspection by the inspecting officer.

If the department could cut down the grant by cancelling regulations in 1928, I would think that by cancelling all the regulations the entire grant might be done away with.

Mr. CASGRAIN: Before you put the question, Mr. Chairman, I feel it is my duty to join with those on this side of the house and to my left who are opposed to this vote. When this vote used to come up annually a few years ago I think that all the members on this side of the house who voted for it did so reluctantly, and, particularly in view of the reasons which have been expressed here to-night, I think we should consider well before we pass this item. Under the conditions that obtain throughout this country to-day, when people in all parts of Canada are undergoing hardships and many of them are in dire necessity, I do not think the cause of military training in Canada will suffer if this grant is dropped for one year or reduced along the lines suggested by the amendment.

I do not agree with the views that have been expressed to-night by my hon. friend from Montmagny, who stated that this vote was very popular in the province of Quebec. So far as the district and county which I have the honour to represent in this house is concerned, it does not benefit one single cent by this vote. I do not believe that cadet training does so very much for the physique and disciplining of our young men, as has been suggested by my hon. friend from Montmagny. The young people in our colleges throughout the province get enough training and exercise in their ordinary school activities, and they do not need this military training of which we hear so much. Therefore I think we might well consider adopting the amendment and reducing this vote, if indeed we do not dispense with it entirely. I for one am not ready to vote the amount of money that is being asked for this year for this purpose, particularly when, as has been stated by the hon. member for Quebec East, a great many of our people are starving and a great many young children are in want of the necessaries of life. I think the vote should not pass; I think it should be dropped.

Mr. MACKENZIE KING: Mr. Chairman, I am not so much concerned with what we do at the moment, in the matter of meeting obligations to which we are committed up to the present time; I think they should be paid. I am, however, very much concerned about entering into further obligations involving future commitments under conditions obtaining in Canada to-day. I anticipate that before long we may have a statement from the Prime Minister, and possibly one from the Minister of Finance, concerning financial conditions in Canada. That statement will no doubt contain reference to conditions as they are in the provinces and municipalities. Why, in the face of an approaching statement of the kind we have reason to expect, we should be absolutely oblivious to the possibility of cutting down further obligations which involve the dominion, the provinces and the municipalities alike, I fail to see. Personally, I wish to state clearly that I believe this

parliament has all the power it requires, if it wishes to exercise that power, to end any further commitments respecting cadet services. I am not asking that those services be discontinued for all time, but that they be discontinued during these hard times, and until conditions very materially improve.

I say to the hon. gentleman that, unless as minister of the department, he will give us an undertaking, or, unless the Prime Minister will give us an undertaking on behalf of the government, that the government is prepared to communicate with the provinces, municipalities or with whatever bodies they may have made commitments, expressing the hope that those bodies may see their way clear to forego further grants for the period of a year, I shall when it next comes up oppose the vote for this service. I am prepared to support the government with respect to its present obligations, but I want to make it perfectly clear at this time that, if it is possible to prevent it, I am not going to have the government enter into obligations for another year which we shall subsequently be called upon to meet. We do not want to be told a year hence that obligations have been entered into and that the government cannot, without default, forego payments. There is nothing in the Strathcona trust deed which obligates this parliament and the government. The minister knows that. Any obligation this parliament has, arises as the result of an act of this parliament; any act of this parliament can be repealed or amended. If in the light of present day conditions the minister does not wish to take the step of repealing or of amending the act, at least he can take a step similar to that the government has taken in respect to many other matters, and communicate to the interested parties the wishes of the administration. As for any obligation to wait for a lead from the municipalities or the provinces, my reply would be that the government did not wait for a lead from members of parliament before it deducted ten per cent from their salaries; it did not wait for a lead from civil servants before deducting ten per cent from their salaries; it did not wait for a lead from railway employees before it dismissed large numbers of them. The minister has made a long defence of this particular type of training, and has stated that it must be maintained so that some training master or teachers may be looked after and cared for. He did not show the same concern about the thousands of railway employees who, owing to pressure of the times, were dismissed.

[Mr. Mackenzie King.]

I am asking only that, with respect to this particular service, the government exercise the same endeavour to effect economies as it has exercised in very large measure with respect to many other services. Any one who examines the estimates will appreciate the fact that in many cases the government has gone as far as it could be expected to go in the reduction of expenditures. Certainly the item now before us might well be reduced, and for a year hence could be omitted altogether. I ask the minister, before the item is allowed to pass, whether or not he is prepared to give an assurance that the government will consider the policy of discontinuing these grants for a year or, if not discontinuing them outright, at least expressing to the municipalities concerned the view that it is the wish of the administration that the grants should be discontinued for that period of time.

Mr. SUTHERLAND: The department certainly signified its desire to economize in every possible way when it stopped the formation of any new cadet corps this year. I am firmly of the opinion that the government will look into the matter very carefully, and if anything can be done—and I am sure something can be done—towards a very material cut in the vote, without involving any direct breach of confidence with school boards, such action will be taken. I am seized of the views the right hon. gentleman has expressed concerning the necessity for economy. I can tell him the government will consider the matter carefully, and if without breaking any agreement something may be done, it will be done.

Mr. DUPUIS: Out of the $300,000 included in the estimate, how much will be required to finish the school term up to June, 1933?

Mr. SUTHERLAND: All of it will be required to meet allowances due to cadet corps and for the pay of personnel employed as physical training instructors, and so forth.

The CHAIRMAN: All those in favour of the amendment say "aye."

Mr. DUPUIS: Mr. Chairman, if you will allow me I should like to say a few words in French, because as a representative of a constituency in which there is more misery than need of cadet services, I feel bound to make a statement.

(Translation): Mr. Chairman, as you are aware I am the successor, in the house, of a man who represented the constituency of Laprairie-Napierville for a quarter of a century, and who, during the whole of his parliamentary life was strenuously opposed to military

service. It does not follow, however, that I should share, in all circumstances, the views he held on this subject, because I think that the training of cadets is useful both physically and from the viewpoint of discipline, and, is an excellent training for later on in life. However, I share the views of my leader, and state that in a period of hardships and want, when we are surrounded by friends, relatives and many others who are destitute, deprived of the necessities of life, even children actually in want, we should practice economy in our budget so as to permit the government to relieve those in such miserable circumstances. That is why I am strongly opposed to all new grants as long as this economic depression is with us.

Progress reported.

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

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## Wednesday, February 15, 1933

The house met at three o'clock.

### SELECT STANDING COMMITTEES

CHANGES IN PERSONNEL

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

That the name of Mr. Morand be substituted for that of Mr. Peck on the select standing committee on banking and commerce.

That the name of Mr. Coote be substituted for that of Mr. Campbell on the select standing committee on banking and commerce.

That the name of Mr. Wilson be substituted for that of Mr. Campbell on the select standing committee on agriculture and colonization.

Motion agreed to.

### EXCHEQUER COURT ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 26, to amend the Exchequer Court Act.

Some hon. MEMBERS: Explain.

Mr. GUTHRIE: This bill proposes a rather technical amendment to the Exchequer Court Act in respect of claims made against the crown. It proposes the adoption of a uniform law throughout Canada in regard to money paid to the crown under a mistake of law.

Motion agreed to and bill read the first time.

### BANK ACT AMENDMENT

EXTENSION OF CHARTERS FOR ONE YEAR—POSTPONEMENT OF REVISION

Right Hon. R. B. BENNETT (Prime Minister, for the Minister of Finance) moved for leave to introduce Bill No. 27, to amend the Bank Act.

He said: With the permission of the house, Mr. Speaker, on behalf of the Minister of Finance (Mr. Rhodes) I move for leave to introduce a bill to amend the Bank Act, the effect of which is merely to extend the existing charters for a year.

Motion agreed to and bill read the first time.

### QUEBEC SAVINGS BANKS

Right Hon. R. B. BENNETT (Prime Minister, for the Minister of Finance) moved for leave to introduce Bill No. 28, to amend the Quebec Savings Banks Act.

He said: I would ask the consent of the house to move, on behalf of the Minister of Finance (Mr. Rhodes), for leave to introduce a bill to amend the Quebec Savings Banks Act. This is exactly similar to the bill amending the Bank Act, and will extend the operation of the existing provisions of the law for another year.

Motion agreed to and bill read the first time.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

C.G.S. ARRAS

Mr. MacLEAN:

1. Was an inquiry held at Halifax, in connection with the firing of a live shell by the C.G.S. Arras, at the fishermen at Cape Wolfe, Prince Edward Island, and damaging the property of Mrs. E. F. Hopgood, of Cape Wolfe?
2. If such an inquiry was held, will the minister give a full copy of the evidence taken at the investigation, giving the names of those who gave evidence and those who represented the department?
3. Is Captain Barkhouse, who was in charge of the C.G.S. Arras, still being retained in the employ of the department?

Mr. DURANLEAU:

1. Yes.
2. Yes, if asked for.
3. Yes.

INDIAN TRUST FUNDS*

Mr. LAURIN:

1. What was the amount of the Indians' trust fund standing to the credit of each province in 1920 and 1932?
2. What was the total sum derived from the alienation of Indian lands in each province, from 1867 to 1920, and from 1920 to 1932?

Mr. MURPHY: The first part of this question is answered, and with the consent of the hon. member who placed the question on the order paper the second part is dropped.

| 1. | 1920 | 1932 |
|---|---|---|
| Nova Scotia.. ..$ | 33,061 24 | $ 30,693 85 |
| New Brunswick.. | 45,877 06 | 42,814 01 |
| Quebec.. .. .. .. | 332,495 90 | 397,117 66 |
| Ontario. .. .. .. | 5,158,001 52 | 6,068,885 51 |
| Manitoba.. .. .. | 299,016 48 | 328,067 34 |
| Saskatchewan. .. | 1,947,862 57 | 1,780,401 25 |
| Alberta. .. .. .. | 1,641,524 46 | 3,036,009 35 |
| British Columbia. | 550,688 82 | 856,623 27 |
| Miscellaneous accounts... .. .. | 891,384 44 | 1,103,466 97 |

Mr. SAUVE:

1, 2 and 3.

| Fiscal year ended 31st March | Revenue | Salary and other remuneration | Rent allowance |
|---|---|---|---|
| 1929.. .. .. .. .. .. .. .. .. .. .. | $6,356 72 | $2,155 45 | $406 00 |
| 1930.. .. .. .. .. .. .. .. .. .. .. | 6,711 15 | 2,567 17 | 438 00 |
| 1931.. .. .. .. .. .. .. .. .. .. .. | 6,066 96 | 2,714 46 | 469 00 |
| 1932.. .. .. .. .. .. .. .. .. .. .. | 6,291 06 | 2,578 82 | 453 50 |

ALIENATION OF INDIAN LANDS

Mr. LAURIN:

What provinces submitted claims to the federal government since 1920, respecting the alienation of Indian lands, by virtue of the judgment of the privy council dated November 23, 1920?

Mr. MURPHY: The province of Quebec.

SMITHERS, B.C.—POST OFFICE

Mr. HANSON (Skeena):

1. What was the total revenue of the post office at Smithers, British Columbia, for the years 1929-30-31-32?

2. What salary and other remuneration was paid to the postmaster at that place during the same years?

3. What was the total rent paid for the post office quarters during the same years?

## QUESTIONS PASSED AS ORDERS FOR RETURN

DEPARTMENT OF INTERIOR—DISMISSALS

Mr. MacINNIS:

1. How many employees have been dismissed from the Department of Interior since 1930?

2. How many have been dismissed in each branch for the same time?

3. What was the average remuneration to employees for the year 1930?

4. What was the average remuneration to employees for each branch for the year 1932?

5. What was the floor space occupied by each branch in 1930?

6. Have any of the buildings occupied by the department in 1930 been vacated since?

7. What was the total number of employees in 1930 (all branches)?

8. What was the total number of employees in 1932 (all branches)?

LAPOINTE PIER—DREDGING

Mr. MacINNIS:

1. What was the amount of estimate, with quantities and prices, submitted to the Department of Marine for approval by Vancouver harbour commissioners, for the dredging work for the extension to the Lapointe pier at Vancouver?

2. Were public tenders invited, if not, why?

3. What is the name of the firm employed, the names of directors, if any, and amount of deposit and date of commencement and completion, respectively?

4. What is the name of any other firm from which figures were obtained with prices?

5. What was the total amount paid in connection with this dredging, with amount of extras allowed, if any, and quantity of material removed, with unit prices?

## MOTIONS FOR PAPERS

FISHERIES IMPROVEMENT—QUEBEC

Mr. CASGRAIN:

For a copy of all correspondence, including telegrams, letters and other documents, exchanged between the Minister of Fisheries, or any of his officials, and the authorities of the provincial government of Quebec, from April 1, 1932, to date, regarding the improvement of the fisheries in the province of Quebec.

GRANDES BERGERONNES, QUE.—WHARF

Mr. CASGRAIN:

For a copy of all letters, petitions, telegrams, and other documents with respect to improvements of landing facilities at the wharf of Grandes Bergeronnes, in the county of Saguenay, effected since January 1, 1932, to date.

HAVRE ST. PIERRE, QUE.—WHARF

Mr. CASGRAIN:

For a copy of all letters, telegrams, petitions, and other documents, exchanged between the Department of Public Works and the municipal authorities of Havre St. Pierre, in the county of Saguenay, with respect to improvements and reconstruction work carried out at the wharf in said locality, since January 1, 1932, to date.

ST. LOUIS DE GONZAGUE, QUE., POSTMASTERSHIP

Mr. RAYMOND:

For a copy of all telegrams, complaints, correspondence, petitions, reports, communications and other documents, respecting the postmastership of St-Louis de Gonzague, county of Beauharnois, since May 1, 1932.

BEAUHARNOIS, QUE., POSTMASTERSHIP

Mr. RAYMOND:

For a copy of all telegrams, complaints, correspondence, petitions, reports, communications and other documents, respecting the postmastership of the town of Beauharnois, and changes effected since November 8, 1932.

POINTE FLEURANT, QUE., WHARF

Mr. MARCIL:

For a copy of pay lists and account for materials supplied the Department of Public Works for the construction of the Pointe Fleurant wharf and the approach thereto, in the county of Bonaventure in the year 1932.

ST. PAMPHILE, QUE., POST OFFICE

Mr. FAFARD:

For a copy of all telegrams, letters, correspondence, and petitions exchanged, since January 1, 1932, to date, between any individual and the Post Office Department, respecting the post office of St-Pamphile, county of L'Islet.

TRADE RELATIONS WITH RUSSIA

Mr. SPENCER:

For a copy of all correspondence between any member of the government and Mr. G. G. Serkau or any of his associates in connection with the proposal to exchange Canadian cattle and hides for Russian commodities.

## RULES OF THE HOUSE

PROPOSED REFERENCE TO SELECT COMMITTEE OF ADVISABILITY OF CONSIDERATION OF CERTAIN ESTIMATES BY SPECIAL COMMITTEE

Mr. PETER McGIBBON (Muskoka-Ontario) moved:

That, in the opinion of this house, in order to decrease the cost of government, shorten the length of sessions, and deal with the business of the country in a more practical and intelligent way, a select standing committee of the house be appointed to consider the advisability of referring certain agreed estimates to a special committee where all information relating thereto may be provided by the ministers after which the committee shall report to the house, such report to be debatable in detail under the rules of procedure.

53719—134½

He said: Mr. Speaker, in bringing this resolution before the house my object is not so much to obtain the endorsement of the house, as that has been done already on at least two or three occasions, but in order that parliament might take such action as would facilitate business, lessen the length of the sessions, reduce the cost of government to the people of this country and permit us to conduct our business in a more scientific and businesslike manner.

In moving this resolution I realize that I am asking the house to deal with one of the great prerogatives of the House of Commons, a prerogative which is the result of hundreds of years of struggle dating back to the thirteenth or fourteenth century, when parliament obtained the right to redress for its petitions before supply was granted. When we look back over the development of parliamentary institutions we find that a very interesting story is told on the pages of history. It was a surprise to me to find that in the great charter wrested from the then reigning monarch in 1215, nothing was said about taxation. At that time taxation did not exist; it was simply a matter of the liberties of the subject and of rents. In fact, there was no parliament in existence at that time. When we realize that all parliamentary activity emanated from the crown, we get more or less of a key to the structure. For example, in those days parliament was summoned by royal writ; it met in a royal palace by royal command. Royalty's business was the first on the agenda, and royalty reserved the right of either rejecting or accepting the petitions of parliament. It was not until the year 1327 that we find parliament presenting to the then reigning monarch its petitions in one common bill. That action was the origin of the name of the chamber in which we are now doing business, the first designation of a branch of parliament as the House of Commons. The struggle continued, it ebbed and flowed through the pages of history, parliament sometimes gaining and sometimes losing in the struggle. A considerable gain was made during the reign of the Tudors, but that was lost in the reign of the Stuarts, until finally one was beheaded, bringing about the great revolution.

I should like to remind the house of the great principles of that revolution, upon which we do not put enough stress to-day. That

was the real genesis of parliamentary control. The first concession obtained from the then reigning sovereign was that there should be parliamentary government in contradistinction to government by the monarchy. The second concession was that the House of Commons should be supreme. It needs no elaboration on my part to show this house how important it was that the House of Commons should be supreme over the House of Lords or the reigning monarch. A third and very important concession was that the House of Commons should represent the people. Hon. members who have studied the pages of history know that up until that time the House of Commons did not represent the people of the old land. That concession did not go into effect at that time, because of the limited franchise held by the people of Great Britain; it was not until the Reform Bill of 1832 was passed that the ordinary voter secured control of parliament and parliamentary activity. In outlining these steps in the development of the power of the House of Commons, it is worth while to note that the House of Lords in Great Britain did not come into existence until some centuries after the House of Commons.

Having attained that authority, and having put it upon a safe foundation, the people of the old land became, probably not indifferent but not quite so active in enforcing their rights. From that time on we have had some deviations from parliamentary procedure, and it is to correct some of these that I have put on the order paper the resolution which is now before the house. If I might read some extracts from certain authorities on parliamentary government, I would say that, having attained the supreme right to control the executive, the finances of the country, we have probably been a little negligent, indifferent, in exercising that right. One of the greatest authorities on parliamentary government which I have been able to find, makes this very significant statement:

> The House of Commons—now that it is the true sovereign and appoints the real executive—has long since ceased to be the checking, sparing, economical body that it once was.

And that it was created to be.

Another, Mr. Pollard, who, I am told, is one of the greatest authorities of the day on parliamentary government, says:

> Legislation has grown too complicated for profitable discussion of its details by a body of 700 general practitioners of politics between the bureaucrats who inform the minister and the spokesman who will have to suffer or profit from their administration.

That to-day is the statement of fact by which we are confronted in the house and, I think, in nearly every other legislative chamber on this continent and many in Europe. It is to remedy that defect that I ask the house now to pass this resolution.

This is not new to the house. It was introduced first in 1921 by the Hon. Rodolphe Lemieux, now Senator Lemieux. In 1925 the committee of the house which revised the rules, made a similar recommendation, and in 1930, the hon. member for Camrose (Mr. Lucas) introduced a resolution along the same lines, which passed this chamber with the endorsement of the then prime minister, now the leader of the opposition (Mr. Mackenzie King), and with the blessing of the present prime minister (Mr. Bennett). But, sir, we have not been able to get any action and it is in order to get some I have again had the temerity to bring this resolution before the house and to ask hon. members to spend a little of their time to see whether we cannot devise some method which will be more in conformity with modern business methods than the one which we are now following.

Many of us who sit and who have sat in this house for several years are amazed at the unbusinesslike procedure we follow in passing the estimates. In days gone by I have seen millions of dollars, yes, on one occasion I saw every item of every department of government passed in one night. Is it any wonder that the Canadian people are to-day critical of our methods when they see millions and tens and sometimes hundreds of millions of dollars voted without any legitimate, honest or competent scrutiny as to where the money was going or whether it was being properly spent in conformity with the policies of this country.

What methods are followed in other countries? I went to some trouble to find out what they do in the United States. I find there the president has a personal representative who does not belong to any of the committees, and before whom the head of every department must bring his estimates. He scrutinizes them and, if necessary, cuts them down, forwarding them to the president with his recommendation. If the president approves them—and this is long before they go to congress—he sends them to the House of Representatives, not for consideration as a whole, but to be considered by a committee on estimates before they go to the house. This committee is divided into subcommittees. For example, if the post office estimates are up, they go to a subcommittee on post office estimates. They tear them to pieces if they like; they summon heads of departments, members of congress, ministers and others and

put them under oath, examine them and thus get a thorough knowledge of the expenditures of the country. After they have passed the committee, they are referred to the House of Representatives, and the house debates them in committee of the whole for two or three days. Then they go to a committee where members are permitted to move amendments in speeches of five minutes duration. During that time they can either cut out the estimates, increase them or pass them as they stand. In other words, they have power to pass upon the budget which goes to congress. After they are passed by the house, they are sent to the Senate which has the same power either to reinstate something that has been cut out or to eliminate something that has been in the budget or to add to it. The crux of the whole argument I wish to present to the house is this, that at the present time the control of the expenditure of this country is all in the executive. The House of Commons, the backbenchers, have not a thing to say about the matter. The government makes up the estimates, brings them before parliament, which has to pass them, or else there is an election and a new government. That, to my mind, has eliminated from parliament the control of the finances of the country and centered it in the executive. This is contrary to the spirit of democratic government and particularly to the spirit of the British people. I have described the way in which public finances are handled in the United States.

Then I went to Germany and found there a similar process, only a little more drastic. If you will believe it, there they have a committee on estimates, composed partly of the representatives of the people and partly of business men, outside the representatives of the people, who are selected on account of their ability and capacity for business. All bills pertaining to trade and commerce are referred automatically to that committee. That brings into play in the government of the country the greatest brains in the business world. After these measures have been disposed of, they must come back for ratification by the elected representatives of the people. That, again, brings the control of the finances of the country back where it should be, namely, to the elected representatives of the people.

Then I went to Great Britain where I found that the very first steps towards controlling expenditures in that country were taken away back in 1902 when they passed a statute giving parliament power to form a committee on estimates. That was not acted upon until 1912, but in 1912, 1913 and 1914 that committee was active. When the war broke out, the committee ceased to function for a few years but it was revived in a committee on national expenditure under the chairmanship of Sir Herbert Samuel, and in 1916, 1917 and 1918 it functioned along a similar line in Great Britain going, not only into estimates but into other expenditures such as those involved in war, passing on them and sending recommendations to the house. When they ceased to function in 1920, I think it was, they presented to the House of Commons their recommendations and thirteenth report. I should like to quote briefly from them, although I do not like reading extracts to the house, but I think the house will be interested in hearing the recommendations the committee made regarding national expenditure and particularly the estimates of the parliament of Great Britain. Before the committee made their recommendations they sent out questionnaires to the Speaker, the Deputy Speaker, the heads of all departments and influential people in the government, asking for their opinions on how to handle the estimates of the house, and after replies had been received and the committee had sat for some three or four years and heard all the evidence they made the following recommendations to the British House of Commons:

> We are of opinion that the existing procedure of the House of Commons is inadequate to secure proper parliamentary control over the national expenditure.

Is there anyone here who would dispute the application of that statement to the procedure of this house regarding our national expenditure? The next recommendation was:

> We recommend that there should be appointed each session two standing committees on estimates, each consisting of fifteen members, and a third should be added if experience showed that this was desirable.

I want the house to note that recommendation because I shall refer to it later. The third recommendation was this:

> It should be the duty of the committees to consider the annual estimates and such supplementary estimates as the conditions allow, and report to the house any economies which they regarded as desirable and which did not raise questions of policy.

Both in the United States and Great Britain questions of policy were eliminated from the consideration of the committee. Policy, of course, always has been and must always be a matter for the government of the day. The next recommendation was this:

> For the assistance of the committees there should be appointed an officer of the house with the title of Examiner of Estimates.

Similar to what they have in the American republic. The next recommendation was this:

Opportunity should be provided for the consideration by the house of the recommendations of the committees in the manner proposed.

There were many other recommendations which I shall not read because I dislike reading matter to the house. It looks to me like a lack of respect for the house and rather like a lack of intelligence on the part of the speaker, as if he could not make his own speech.

The recommendations which I have quoted were not carried out. In 1926 the British house appointed a committee on estimates. It did not function very successfully, and for that reason criticism was offered in this chamber some years ago against adopting any similar plan here, but if you will read the history of that committee, and the reasons are set out in the report from which I have quoted, you will find that the reasons for its failure were threefold. First, the task put upon it was too great. Only one committee was appointed instead of two or three, and it would have taken that committee several years to make the rounds of the different departments. The second reason was that no expert counsel was appointed to assist the committee. I mean counsel for the committee, not for the government, just as when a royal commission is appointed counsel is also appointed to help bring out the evidence. That was a recommendation made by the Samuel committee of 1921, but it was never carried out.

I am not attempting to lay down any policy for this government to pursue. I am simply asking the house to appoint a committee to investigate this question. I submit that it is time that we in this house took upon ourselves the doing of the business of this country in a businesslike way. I do not think I am far astray when I say that a good board of directors would do in three weeks all that this parliament takes four or five months to do, and if ever there was a time in the history of this country when we should do things economically and relieve, if possible, the burden of taxation upon the people, that time is now. If we had such a committee we could utilize the best brains of this parliament, some of which are not now being used. We could bring into activity many minds whose labours would help to shorten the sessions of this house and enable us to do our business much better than it is done now.

I wonder if the members of this house and the people of this country realize that this session will cost this country approximately $3,000,000, or on an average $25,000 a day for every day we sit. I know that some one will tell me that there are a lot of fixed expenses. That is true. Indemnities of members of the Senate and Commons are a fixed charge, but I looked up the figures and I found that that does not account for half the total expenditure. Without going into details, I think it is fair to say that the controllable expenditure, which is the other half, could be reduced in proportion to the shortening of the session. If you could shorten the session by one-third, it would mean a saving to the people of this country of approximately half a million dollars. Now if that amount can be saved, it should be saved. Furthermore, surely the time of the members of this house is worth something to themselves back home attending to their own business.

I discussed this proposal with a member of the house the other day, and he said, "No, I am against you." I asked him why. "Well," he said, "I object to any man coming between me and my ministers for what I want." Imagine such an objection! If what he wants is legitimate he can go before any committee, substantiate his claim and get what he wants.

Another member said to me, "No, you would spoil my fun with the ministers." I submit, Mr. Speaker, that this is not a playhouse, and with all due deference to the hon. member I submit that $20,000 a day is a little too much to pay even if the fun is enjoyed by the member to whom I allude.

What are the objections to the present method? Has anyone ever seen a more ridiculous spectacle than is now presented to the house when estimates are up? Some member asks the minister a question. The minister leans over and whispers to his deputy. The deputy cannot address the house; we cannot ask him any questions direct, but we have to ask him indirectly because the minister does not know the answer.

Some hon. MEMBERS: Oh, oh.

Mr. McGIBBON: I am not referring to any particular minister. I have been here since 1917, and I find that they are all the same—every one.

Mr. HANBURY: I thought the hon. member was referring to the Minister of Railways.

Mr. McGIBBON: No, he is generally pretty well posted. What did we see in this house last night? The only man in this house who knew the answer to a question about the Strathcona trust fund was the Prime Minister. Not another member knew a thing about it. The deputy knew, and if we had been able to cross-question him, do you not think that we should have been able to get more infor-

mation? But we have seen it year in and year out; we know the way the ministers have to account for their actions. In my view the way ministers are worked during the session is a shame.

Mr. HANBURY: Why not turn over the government to the deputies?

Mr. McGIBBON: If my hon. friend will vote for this resolution, we will. We have listened to questions asked across the floor of the house which had no more to do with the matter under discussion than with Mars. I am not blaming anybody; probably I have been as great an offender as any other hon. member. I want to say however that in my experience estimates have been used as the chief instrument of blockade and obstruction; that has been their main purpose. Since I entered this house in 1917 I am convinced they have been used most effectively in that way. That line of procedure might have been all right ten or fifteen years ago, but surely parliament must make progress. Surely we have to have better business methods in this House of Commons. Surely the time of this country and government is worth money. Surely the time of hon. members is worth something. As I have said, the text of this resolution has been endorsed by the right hon. leader of the opposition (Mr. Mackenzie King); it has received the blessing of the Prime Minister (Mr. Bennett); the principle contained in it has twice passed this house, and was once recommended by the committee in charge of the revision of the rules of the house. If at this time we can put into action the resolution now before us we can save the country annually from $300,000 to $500,000.

Mr. NEILL: On previous occasions the resolution did not appear in the same terms.

Mr. McGIBBON: No, but the principle was the same. I do not know whether the government would agree to it or not, but I am of the opinion the suggested change would restore to the House of Commons some power over the treasury which at the present time it does not have. Had the estimates of a department passed a non-partisan committee the work of the minister upon entering the house would be minimized. I ask hon. members this question: How much time was spent by this house on estimates from the railway committee, after those estimates had been considered by the committee? We have never spent more than ten or fifteen minutes. Further than that, hon. members would have a chance in the smaller committee to hear the officials of the departments, to scrutinize them. Hon. members would be in a position to gain accurate knowledge of the business before the house, and for that reason criticism in the house would be more effective.

I do not like the practice of reading during debate, but at this time I should like to read a few comments which I believe would be of interest to hon. members. Within the last two years a committee on national expenditure has been formed in Great Britain, before which have appeared some of the greatest minds in the country. The evidence was published in 1931. The Right Hon. Stanley Baldwin had this to say:

> I think the estimates committee serve a useful purpose, by all means.

He was referring to the committee which functioned in the years 1917, 1918 and 1919. I give that to the house as a testimonial from a man who was once prime minister of Great Britain. Hon. members will note in his view the estimates committee was serving a useful function. Then we turn to the words of the Right Hon. David Lloyd George:

> There has been no examination by the House of Commons itself of the estimates; no careful scrutiny whatever with a view to finding out whether it is possible to reduce the expenditure without detriment to the efficiency of the public service.

He states that there has been no careful scrutiny of estimates in Great Britain. Is it not time that they had it? I think that query might apply equally to the House of Commons in Canada. We have had no efficient examination into our expenditures to see whether they were in conformity with the policies of government, and were not extravagant. We ought to have it. Then Mr. Lloyd George states further:

> The minister must have the ultimate say,—

Of course he must have; otherwise we would be forfeiting the basic principle of responsible government.

> —subject to what parliament says, but it would enable the House of Commons effectively to supervise, and not only that, but to keep itself informed.

I wonder if that would not be applicable to this House of Commons? I should like now to read the statement of the Right Hon. Winston Churchill, the man who advocated the formation of a sub-parliament in Great Britain which would be responsible to parliament. On that sub-parliament he suggested there should be not only members of the House of Commons and House of Lords but that in addition he would commandeer for that body the best business brains of Great Britain. To the sub-parliament would go all bills relating to trade and commerce. In my view

that suggestion is worthy of consideration, because in the consideration of bills touching trade and commerce we should have, to help members of the House of Commons and the Senate, the best help from outside sources. In that way we would obtain more valuable information. Here is what Mr. Churchill said concerning procedure in supply:

He suggested our present method of discussing on supply was quite useless.

Is there any hon. member who will dispute that statement? Undoubtedly our present discussions in supply are quite useless. All hon. members are aware of the truth of that statement. We talk, and talk, and talk, all day. In the old days before the introduction of the eleven o'clock rule—which I thought was a mistake—talk would continue until the early hours of the morning. It was only at that time that business could be transacted. In my view the procedure in supply is an anachronism.

Mr. Churchill states further:

I agree that after they have been presented to parliament their consideration should take place by committees, dealing with each branch, military, civil and so forth, and those committees should apply the scrutiny which the public imagine is applied on the supply days.

Yes, the public imagines scrutiny is applied in this house; but is it? Does any hon. member apply any real scrutiny to supply voted in this house? I do not know of any such instance.

Mr. WOODSWORTH: I should like to know if the hon. member has in mind the appointment of only one or of several committees?

Mr. McGIBBON: All I am asking is that this house appoint a committee to discuss the matter now before us. It will be the duty of that committee to formulate plans and rules, and to decide whether or not we shall have one or a dozen committees. I am making no definite suggestion in that connection; all I want is action. When that committee reports to the house, the matter will be open for discussion. But for heaven's sake in dealing with the business of our country let us bring our methods up-to-date. To-day we are using methods which were in vogue fifty or sixty years ago. May I read further from the words of Mr. Churchill:

I think one witness, at any rate—Mr. Lloyd George—went further than that and suggested it was not merely a matter of controlling expenditure, but it was a matter of using the control of expenditure as a means of controlling the executive.

I do not know whether that suggestion would be agreeable to the government; I suggest it is worthy of consideration. When advocating the appointment of a committee on estimates in Great Britain, that was the main point stressed by Mr. Lloyd George. Then Mr. Churchill continues.

. . . or giving the House of Commons more authority over the executive than it possessed at the moment. He suggested our present method of discussing on supply was quite useless.

They all agreed. I think we can all say amen to their prayer; it is absolutely useless. May I quote another one. This is from Sir Herbert Samuel, who I think needs no introduction. He says:

The House of Commons as an institution would gain more power, and the cabinet would have less power. I think on the whole that would be an advantage.

I am not making any comment on that. Then one of the members puts this question:

You really want to do three things; you want to make an estimates committee more effective in its check of the estimates, you want to make an effective opportunity on the floor of the house to debate its reports?

Sir Herbert Samuel: Where necessary.

Q. Some of its reports, shall I say?

A. Yes.

Q. Then you want to make it possible on minor issues for the house to amend the estimates without causing a parliamentary crisis?

In the United States the committee has power to knock out the estimates or to increase them, either in the House of Representatives or the Senate. One of the main things in Sir Herbert Samuel's report was that that should not be considered a vote of want of confidence in the government.

Some hon. MEMBERS: Hear, hear.

Mr. McGIBBON: These are some things to consider. Sir Herbert Samuel says further:

I want to take it a little further than that. Is the object that of more employment of members, or is it the control of the executive, because any of these objects or all of them could come under the scheme?

He wants to make this an instrument for employing the unused brains in the house. I think we have a lot of them here that are not being used. I myself feel that I have not enough work in the House of Commons, and I try to look up some. I have not half as much work as I do at home, and I would rather have more. One must be active and alert and keep his brain working, otherwise one deteriorates. I think a very important point in these recommendations is the suggestion that we employ all the brains we have here.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I have not given very much consideration to the subject matter of this resolution, but I should like to congratulate the mover (Mr. McGibbon) for the industry he has displayed and the information he has given the house. I have been a member of this house since the spring of 1921; I have sat through every session, and each year I have been impressed with the amount of the time of the house that is wasted in the consideration of the estimates. I know there are certain reasons which would move one portion of the house at all events to exercise such control as they may over the estimates. For ten years I sat in opposition, and I know that criticism of the estimates is the only weapon an opposition has against the furtherance by a government of undesirable legislation. A government can put through by sheer weight of numbers, whether it is right or wrong, legislation which is objectionable to an opposition. But on the estimates an alert opposition, if properly generaled and handled, can in the long run seriously embarrass a government in respect of legislation it desires to put through to which the opposition takes objection. From the standpoint of political tactics, therefore, I can understand why an opposition would oppose such a move as is suggested by this resolution. But apart from that I cannot see that any great advantage accrues to any political party by following the present practice. It has been stated here to-day that this practice has been in vogue since confederation, and I presume in deliberative assemblies in Canada long before that. While the fact that it is antiquated is no argument against it, yet in my humble judgment it is not evidence in its favour.

If we can dissociate our minds for the moment from the question of party tactics and consider this resolution on its merits, I suggest that the resolution has much to commend it. After all what does it seek? It does not seek by one fell swoop to impose on this house a new policy or new methods of procedure in connection with the estimates; it merely aims at the appointment of a special committee to study the question. If hon. gentlemen who have been in the house a considerable time will reflect I think they will agree with the mover of this resolution that there is room for improvement in the method of considering the estimates. What has been the experience in recent years? What is the experience in the provincial houses? I have never been a member of a provincial legislature, but for a good many years I have watched the legislature in my own province function, and I know that government legislation and private legislation have the right of way for very much the major portion of the time that the legislature sits, and that as a rule under every government the estimates have been crowded through in the last forty-eight hours. I do not know what the history is in the province of Quebec, or in the legislature of Ontario, but speaking generally that is the history in New Brunswick. And it never was truer than in the days of William Pugsley. The estimates were on the table, members had some opportunity to study them, but consideration was deferred to the last minute. I say that is not a businesslike way of transacting public affairs.

The parliament of the United Kingdom is the parliament of an empire, dealing with great empire problems. The mover of the resolution has done well to put on the record excerpts from reports and evidence from Great Britain in connection with this matter, because they have had to study it there. In my humble judgment there is no doubt that the sessions of parliament in Canada last too long, having regard to the business that we actually transact. Ninety per cent of the members of this house must earn their living outside the limits of Ottawa. We cannot do that, do justice to our families and to ourselves, and provide for our old age if we spend five or six months a year in this city. If we would we could transact all the business of parliament in three months in any given year.

An hon. MEMBER: Less than that.

Mr. HANSON (York-Sunbury): Yes, I agree; less than that. At one time, when I was in opposition, the question of the indemnity paid to members of parliament was being discussed in this house, and at that time I made a sporting offer to the Prime Minister. I said that I would give back to the treasury of this country $1,000 for every month he would shorten the session, and I guaranteed that we would do just as much business.

An hon. MEMBER: You can afford to do it.

Mr. HANSON (York-Sunbury): I do not say I could afford to do so, but it would pay me to do so, through increasing my earning power in other ways, and I think it would pay most hon. members as well. That is my personal view, but of course there is a far wider aspect that should appeal to most of us. Can we transact business of the detailed character which is involved in the estimates by the method we have followed during all these years? Those of us who have had anything to do with corporation management in an ex-

ecutive or administrative capacity know that such management could not be carried on in this way. As a matter of practice such routine matters as these never would come before a board of directors.

So I suggest, Mr. Speaker, that if we are agreed on the premise that this is an expensive and cumbersome method of transacting business at least we ought to explore the possibilities of newer and better methods. To that extent I am in accord with the resolution. I do not say that I would be prepared to go quite so far as my hon. friend would take us, but I am prepared to agree that we should study the question and see what is being done in other jurisdictions. An hon. member may say, "What right has a member from Saskatchewan to say what public works shall be voted or withheld in my county? I know the county; he does not know it. I know the needs of my county; he does not know them." The argument is that the member himself is best qualified to say what his constituency needs, and I agree with that argument if he is the right kind of member, but that is not the point.

Mr. McPHEE: Why single out Saskatchewan?

Mr. HANSON (York-Sunbury): That was just an illustration; I might just as well say Quebec. I have nothing against Saskatchewan; there was no personal allusion at all. I suppose if you go through the estimates for the last ten years you will find that less money has been spent on public works in Saskatchewan than in any other province of Canada, while the maritime provinces have received their fair share. They take care that they do receive their share, and there is a reason for that. Just glance at a map of the maritime provinces; look at the hundreds of miles of coast line, and then call to mind storms such as the one we had on the first day of this month, when practically every exposed breakwater and wharf in the maritime provinces was damaged. These will have to be repaired, and who is going to do that work?

Mr. CASGRAIN: The same applies to Quebec.

Mr. HANSON (York-Sunbury): Yes, to a more limited extent. I notice, however, that Quebec receives other favours. I might mention the citadel and a few other places where we have been spending money year in and year out since confederation.

Mr. CASGRAIN: It is money well spent.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): What harm will be done if we set up a committee of this house, composed of earnest men, to study the question of changing our method of transacting business? There is no reason why we should not take that step. Personally I have reached a point in my life when I do not see how I can spend six months in Ottawa every year, especially since the stock market debacle of 1929. I have to earn my living, and that applies to other members as well. Let us do something that will shorten the sessions of parliament, and when parliament is not actually in session we may be able to do a great deal more for our constituencies. On the whole, therefore, I think I must vote for this resolution. No harm will be done; a great deal of information may be obtained, and the cost to the country will not be very great, while on the other hand we may be able to save the country a great deal of money.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I do not rise to offer any objection to the suggestion contained in the resolution proposed by my hon. friend (Mr. McGibbon), but I must say that while there is a chance of reducing the time spent in the house on the general discussion of estimates, I fail to understand how some of the reforms suggested by the hon. gentlemen who have just spoken can be brought into effect. After all this is a responsible government; they must take the responsibility of presenting the estimates, and I fail to see how a committee could reduce or increase those estimates. It might shorten the time spent in discussion, and of course that would be worth while.

Mr. McGIBBON: Would my hon. friend pardon me? I did not have time to finish my remarks. All these estimates would have to come back to the house.

Mr. STEWART (Edmonton): I was just going to say that if this were the case I fear that instead of being shortened the period of discussion would be lengthened.

Mr. McGIBBON: No one could speak for more than forty minutes.

Mr. STEWART (Edmonton): We discussed this question when I was a member of the preceding government, and while we favoured some such action we felt that it would be unfair to delegate to a committee the entire right of discussion. Another method suggested was that any member interested in any item coming under any department could have the privilege of appearing before the committee and making representations, but

after all under our system of government the government of the day must take responsibility for preparing the estimates. That is the first point. When they have prepared the estimates and submitted them to the house, they have the privilege of reducing or increasing those estimates or of introducing new estimates and so on, and to the government belongs the responsibility. My hon. friend holds out the hope that some control might be exercised over the government or over the individual ministers. I fail to see how that could happen, because after all every individual on the other side of the house is pledged to support the program of the government, and each member does support it. Seldom if ever does a member differ from a minister or the government itself on any question, whether it be estimates or legislation.

Mr. McGIBBON: If my hon. friend will notice, the resolution refers to certain agreed estimates.

Mr. STEWART (Edmonton): I know my hon. friend has qualified his request, but I am merely pointing out the only merit I see in the resolution, which is that it might possibly shorten the time spent in discussion.

Mr. HANSON (York-Sunbury): Would that not be worth while?

Mr. STEWART (Edmonton): Yes, it might be, but after all if the estimates eventually are returned to the house for discussion I doubt if any time will be saved. If the report of the committee was to be considered as final, then some time might be saved.

A great deal has been said about the advantages of sending the estimates of the Canadian National Railways to a special committee of this house before which all the officials of the company are called to furnish all the information required. In spite of the work of this committee, I find abroad a great deal of criticism with respect to the expenditures of this railway. My hon. friend shakes his head, but evidently he has not been travelling in the same portion of Canada as I have.

Mr. McGIBBON: My hon. friend misunderstood me.

Mr. STEWART (Edmonton): I am merely citing one instance to my hon. friend. The government in power delegated to that committee all the criticism which was properly the function of government. That committee has carried on for the last ten years and yet we find the results of its investigations being criticized to a greater degree than the operations of any minister who has come before the house and submitted to its criticism.

Mr. HANSON (York-Sunbury): Does the hon. gentleman say that the work of that special select committee on government railways has been criticized?

Mr. STEWART (Edmonton): I do not wish to convey that impression. I made the statement that the conclusions of no committee of this house have been more criticized than have those of the committee dealing with the expenditures of the Canadian National Railways. Upon that committee were representatives from every section of the house and if that is a criterion of what is going to happen if we delegate the investigation of all estimates to a committee, then I doubt that the work of that committee will be a success.

I do not wish to enter into a discussion upon this matter, I merely wanted to point out some difficulties which I think would be in the way. So far as I am concerned, I am perfectly willing to accept the motion of the hon. gentleman that a committee should investigate these matters and report to the house.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, some years ago I voted against a resolution of a less stringent character than this one, and I propose to vote against this one. There seems to be a tendency to reduce the powers of the ordinary private member of the House of Commons. There has been an ever-increasing desire by all governments to do this. During the ten or twelve years I have been here, I have seen this under both the late and present governments. The effort has been made to take more and more power away from the private members and concentrate it in the hands of the government. In the course of another hundred years we will probably have all power concentrated in the hands of one man. I agree with the first part of the very able speech of the hon. member for Muskoka (Mr. McGibbon) when he said that it took one hundred years or more of hard struggle for the British Commons to obtain control over the voting of supply, but to my mind this resolution proposes to vitiate a right which is about the only one we have left.

The hon. member quoted the opinions of British statesmen and various committees that dealt with this matter in Great Britain, but he neglected to mention that no action had been taken, things remaining as they were before. According to the quotations by my hon. friend, these statesmen seemed to be in favour of another system but apparently they were not able to inaugurate a system better than that already in force.

The hon. member for Edmonton (Mr. Stewart) referred to the railway committee and I had made a note to speak about that. This committee consists of perhaps twenty or thirty members and, as the member for Muskoka said, it goes thoroughly into the railway estimates. The officials of the railway are before the committee, a report is made and the result is that only a few minutes are spent in putting it through the house. The result of this procedure is that 90 per cent of the members know nothing about the details. When they go home and are asked whether they voted this or that way, they have to reply that as these matters were dealt with by a committee of twenty or thirty members and then passed by the house, they do not know anything of the details. As the hon. member stated, perhaps if these estimates had been investigated more thoroughly by what I might term the common, ordinary members of the house, more objection might have been taken and the gigantic expenditures, of which everyone is now complaining, cut down. When these matters were going through the committee, the complaint was that we were not spending enough, and possibly if they had been threshed out in the house, better results would have been obtained.

Some years ago, much against my desire, the membership of the various committees was cut down considerably, until to-day the average membership is about twenty or twenty-five. Twenty-five men are to decide the appropriations to be made throughout the different provinces. As the hon. member for York-Sunbury (Mr. Hanson) says, how can a man from one province or from one district exercise a wise discretion over an expenditure to be made in another province or another district in which he may never have been? It is not always a case of defending an expenditure, sometimes we have to inquire about an item which has been omitted and the only one who is qualified to deal with such a matter is the member from the particular district. The hon. member for Muskoka gave an apparent answer to my objection when he hinted that this would be a means of our obtaining power over the Minister of Finance. If this is going to be done, I should like the Minister of Finance or the Prime Minister to give his opinion upon a system by which we are to override the government.

Mr. McGIBBON: I think the hon. member misunderstood me; I was explaining the system in the United States where they do that.

[Mr. Neill.]

Mr. NEILL: And a more pernicious system does not exist than that of the American system of log-rolling. I say to the member for Muskoka "I will vote for your rotten post office if you will vote for my virtuous wharf." We had that demonstrated last June, when the United States senate put through a tax on lumber which put the lumber interests of British Columbia out of business. This tax was rejected at one stage but it was later openly stated that it was put through at the last minute—an election being in sight—the lumber interests agreed to vote for something other interests wanted, and they had to vote in return for the duty on lumber. It would be highly undesirable to have a similar practice in this parliament.

The resolution reads:

—the committee shall report to the house, such report to be debatable in detail under the rules of procedure.

In replying to a question asked by an hon. member to my right, the hon. member for Muskoka said that members would be allowed to speak only for forty minutes during the debate upon the report.

Mr. McGIBBON: The hon. member is misquoting me again, that remark applied to the system which they have in the United States. I could not tell what would be done in this house, that would have to be decided.

Mr. NEILL: The hon. member for Edmonton was not discussing the system they have in the United States. He was questioning the fact that we would save time because there would be a rehashing in the house, and the hon. member replied that speeches would be limited to forty minutes.

If the report of this committee is simply to say: We recommend that $340,000,000, or whatever it is, be voted, and we are only to be allowed forty minutes to debate that report, then I cannot stress too strongly how undesirable that would be. If, on the other hand, there are attached to the report all these detailed estimates and we are allowed to discuss them in detail, that takes away the grievance I have just mentioned, but it brings us to the situation that we shall not be one bit better off than before as regards saving time, because, if I want to talk about a grievance, for instance, in regard to fish hatcheries in my constituency, I am not going to be stopped from doing so by twenty men, who do not know what a fish hatchery is, saying that they have passed the item in a committee. In my opinion this will not save time. We shall have to sweat in committee

all morning and then come to the house and go through the whole thing again in the afternoon. Hon. members will not be satisfied to accept the dictum or statement that the committee has passed an item. It may be said that this course was pursued with the committee that dealt with the railway estimates. That is true, but the matter was of more general application to Canada as a whole. When, however, the matter under discussion relates to an hon. member's own riding, he is not going to let it pass without making either a protest or a defence of the item. As I say, if we discuss the matter in detail, then we shall not shorten the debate in the house, and if we do not discuss it in detail, then the situation will be exceedingly undersirable from the point of view of private members.

This question was very fully discussed three or four years ago and while, because perhaps of an indifferent house and a more or less snap vote, the resolution was passed, the obvious disadvantage of the suggestion was such that the government never pushed it and the opposition saw fit not to ask for it to be done. That is some evidence that back in the minds of hon. members on both sides was the thought that the present system, with all its evils—and I know how time-absorbing it is and so forth—was the best, but there are many things which we have to endure in order to get something of greater advantage. The right of free speech has been very costly to acquire, and we want to be exceedingly careful before we allow any portion of that to be taken away from us. I am willing to sit here and listen to an hon. member talk about some subject in which I am not interested, provided that later on I am permitted to bring up a matter in which I am. That is what we are here for, and the debate that takes place in the house gives the government, which is the ruling power, a cross-current to public sentiment that they will never get out of a committee. The committee is composed of ten, twenty or thirty men. In the house the government, while they may vote down opposition and jam through their bills and estimates, will find out what it is to their interest to do in the future. Let us take, for instance, the debate last night on cadet training. Was it not clearly expressed on both sides of the house that the government would be well advised to cut the vote down next year? Had that estimate been put through in committee, would the government have been seized of that sentiment? That is the advantage in discussing these matters in open debate, and that is the purpose for which we are sent to parliament.

Mr. G. G. COOTE (Macleod): Mr. Speaker, in 1925 I introduced in the house a resolution that the estimates should be referred to various select standing committees. Ever since I came here I have been impressed by the unbusinesslike way in which the house in committee of the whole deals with the estimates that are presented to us each session. I agree with practically everything that the hon. member for Muskoka (Mr. McGibbon) has said in regard to the unbusinesslike way in which we deal with estimates. The motion I introduced at that time was referred to a committee which was revising the rules of the house, and in the report made by that committee they suggested that this question of dealing with the estimates was important enough to be referred to a special committee of the house to be taken up at the next session. I do not think that recommendation was carried out. In 1930 the hon. member for Camrose (Mr. Lucas) introduced practically a similar resolution. It stated:

> That, in the opinion of this house, the estimates should be referred to select standing committees before being submitted to the committee of the whole.

That is the method which I have always felt might very well be adopted, not only to save time, but to enable hon. members to have an intelligent idea whether we were getting value for the money spent. This is not possible when we deal with estimates in committee of the whole. That committee is too big. The deputy minister and heads of branches who may be assisting the minister are not allowed to be questioned. We should be able to put them on the witness stand. The estimates, for instance, of the Department of Agriculture, should be referred to the select standing committee on agriculture which could bring the heads of the various branches of the department before it. In this way it would be able to find out what we were doing with the money, whether we were getting value for money spent and whether all the items should be voted the following year. Perhaps it might suggest that the government reduce the estimate or take money from one branch and spend it in another, thus securing better results in promoting the interests of agriculture. I mention that department only as one instance of what might be done with the estimates of the different departments.

Mr. NEILL: Is it not a fact that the committee on agriculture is now supposed to meet and has every facility for calling the heads of the department before it?

Mr. COOTE: Unfortunately the committee on agriculture meets only when it is given some special reference by the house. Those estimates might very well be referred to that committee every year.

The resolution submitted by the hon. member for Muskoka is somewhat differently worded from resolutions introduced in the house before, dealing with the same matter. The hon. member asks that:

> A select committee of the house be appointed to consider the advisability of referring certain agreed estimates to a special committee where all information relating thereto may be provided—

And so on. That, as it is worded, apparently contemplates the appointment of one committee to deal with estimates. The estimates are too voluminous to be dealt with by one committee.

Mr. McGIBBON: That committee could submit a report recommending the appointment of a dozen committees.

Mr. COOTE: I was just going to ask the hon. member for Muskoka whether we might take it for granted this was a wide enough reference to a special committee to give it power to recommend a reference of the estimates to more than one committee. I take it for granted such a course would satisfy the hon. member for Muskoka. With that understanding I am very much in favour of the resolution and I should like to see that special committee appointed.

I should like to deal with one or two points raised by the hon. member for Comox-Alberni (Mr. Neill). I shall not attempt to discuss all the objections he has raised. He said that the government was influenced by the discussions which take place in the house. Perhaps it is or, at least, should be, but discussions on particular estimates such as that which took place last night with regard to cadet training can be staged in the house just as well after this procedure is adopted as now.

The other point which came to me while the hon. member was speaking as to the possibility of influencing the course of the government, was that as a rule not very many members of the cabinet are in the house when the estimates are being discussed. The minister who is putting through his estimates must of course be present, but the other members of the government are likely to be in their offices dealing with other business matters. If the minister in charge of the estimates of his own department were at a meeting of a special committee dealing with those estimates, where questions could be put in a much more businesslike way and his estimates discussed very carefully, he would soon acquire more information about his department than he is able to do now with the limited time at his disposal.



Mr. NEILL: He would die of overwork.

Mr. COOTE: In putting his estimates through a special committee he would get a better idea of the work of his department than he could by putting them through the committee of the whole house. Sometimes the most important items in his estimates may go through without any discussion, because, as the hon. member for Comox-Alberni (Mr. Neill) says, certain members have a grievance to air. But most of the time of the committee is not taken up with the airing of grievances. It is taken up in an endeavour to get information as to what is being done with the money voted, and we do not get much real information after all, because there are too many members trying to question the minister at once. So far as I personally am concerned I think it would be an improvement if this proposal were adopted, or at least tried out. I think it would result in the business of this house being conducted in a more businesslike maner, and I am sure we must all admit that it is time we adopted any method which will enable us to do the work of this house in a more businesslike manner than at present.

Before I sit down I should like to disagree emphatically with the opinion expressed by the hon. member for Muskoka-Ontario, in regard to the eleven o'clock rule. I know of no business institution in Canada and no gathering of business men or board who would sit till one or two or three, and even seven o'clock in the morning to get their business done. That is a most unbusinesslike way of doing business.

Mr. McGIBBON: It is the only method of breaking blockades.

Mr. COOTE: We can break blockades by other methods. I would suggest that it would be much better if, instead of the present hours, from three to eleven p.m., we sat from two till ten o'clock. That would be a long enough day. A great many of the members of this house are here at nine in the morning and stay till eleven or eleven-thirty at night, and it is altogether too long a day. Every year we hear the Prime Minister and the leader of the opposition paying tributes to members who have passed away, and some of them I believe are passing away because of the un-

businesslike way in which we do our business and the late hours we keep. I think that the new method suggested of examining estimates would be much more businesslike, and therefore I am very much in favour of it.

Hon. J. C. ELLIOTT (West Middlesex): Mr. Speaker, I have listened with a great deal of interest to what has been said this afternoon on this resolution. I am bound to say that I do not believe that any of the time of the house from the beginning to the end of the session is better spent than the time taken by members of the house in discussing in committee of the whole the manner in which the money of the people of this country is to be expended. After all, it is one of the great safeguards of the rights of the people to have this discussion of the expenditure of public money in a committee of which every member of the house is a member, rather than have it discussed in a committee confined to certain members. I do not care how good such a committee may be. No doubt they would consider the estimates day after day just as conscientiously as they could be considered, but it would be a committee composed probably of members who were appointed to it because of their views in regard to certain things. Some of them would be appointed because they were in favour of expenditures, and others because they were opposed to expenditures. But judging by what has taken place in this house as a result of the recommendations of committees, the result has not been to decrease the expenditure.

I listened with much interest this afternoon to the remarks of my hon. friend from York-Sunbury (Mr. Hanson) who I am sorry is not in the house at the moment. It struck me that he was hardly as logical this afternoon as he usually is. In the first place he said that as a general rule estimates were rushed through the various legislative assemblies in this country in about forty-eight hours, but before he got through he went on to explain how much of the time of the house was lost in putting through the estimates. I thought he was hardly consistent.

After all, the greatest safeguard which the people of this country have is the discussion in committee of the whole house of the estimates. I go further and say that I believe the greatest assistance which the minister in charge of a department can have in the performance of his duties—and the duties of a minister in charge of a department are by no means light, particularly in some departments—is to receive suggestions from every quarter of the house when he is passing his estimates. Take, for example, what occurred last night, to which reference has already been made. I do believe that last night's discussion was of great benefit. I must say as one who for a time did have the responsibility of submitting to the house and putting through the estimates of an important department that in no part of my duties did I receive as much assistance and information as I received from all sides of the house in the suggestions that were made by the various members while my estimates were being considered.

Mr. BENNETT: Would the hon. gentleman say that in his time a single estimate was reduced by one dollar?

Mr. MALCOLM: That is not the point.

Mr. BENNETT: That is the point.

Mr. ELLIOTT: Yes, and if the Prime Minister will look over the records, he will see that estimates have been reduced.

Mr. BENNETT: In this house?

Mr. McGIBBON: It could not be done except on motion of the minister.

Mr. ELLIOTT: I have myself moved in this house to have estimates reduced.

Mr. COOTE: The exception proves the rule.

Mr. ELLIOTT: I am afraid the Prime Minister is thinking only of the time since his government came into power; for I know of no estimate of this government which has ever been reduced, no matter what discussion took place in committee of the whole.

Mr. BENNETT: I agree, and it is not likely to be.

Mr. ELLIOTT: That may be, and if that is the finest compliment the Prime Minister can pay to the discussion that takes place in regard to the estimates, I do not attach much value to it. But after all, is there not something more important than the day or two extra that may be taken on the estimates? How are you going to preserve the right of members to move an amendment on going into supply from time to time if you have all the estimates passed beforehand by special committees of this house? That would take away the right which members now have of moving want of confidence motions on going into supply.

I have heard this question discussed at great length during the time of the former government, and I must say that I never was converted to the theory that any good purpose would be served by taking up the time of this house with a lot of the subjects that

are discussed here from time to time rather than in discussing the expenditure of public money when the estimates are going through. Personally I do not believe the change would serve any useful purpose. At no time in the history of this country was it more important than it is now that the people's representatives should discuss in committee of the whole every item of expenditure that comes before us, and I believe we should make no change that would have the effect of curtailing the discussion on the expenditure of public money. Those are my views, and I think the house would be well advised to consider very carefully the suggestion before making any change.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I should like to offer a word of congratulation to the hon. member for Muskoka-Ontario (Mr. McGibbon) upon the very evident trouble to which he has gone in the collection of the information he presented to the house upon the introduction of his motion. However, very much to my surprise, I find myself inclined to agree with the hon. member who has just taken his seat.

Mr. ELLIOTT: Why to your surprise?

Mr. GEARY: I am inclined to the view that by adopting the suggested change we would be giving up the advantage to be found in the discussions centring around the estimates, if before coming into this house and being dealt with in committee of the whole these estimates passed through a special committee appointed for a particular purpose. But the hon. member for Muskoka-Ontario has given so much attention to the matter, has produced so much information and material which seem to indicate that the trend of government in these days is towards some such procedure as he suggests in his motion, that I propose, so far as my vote will allow, to let him have his committee and, at least to that extent, to support him.

Reference has been made to the Canadian National Railways committee, but I am inclined to believe that we gain no advantage from such reference. To begin with, it did not deal with governmental estimates, but with estimates presented by the managers of a railroad. That committee went into business details, costs of right of way, maintenance accounts, hotels and that sort of thing. After examining officials of the railways, ascertaining how the money was spent and how expenditures compared with those of previous years, and the reason for the increase in maintenance of way, and like matters, those estimates were passed by the special committee. When they came from the committee to the House of Commons, then for the first time the government of the country entered into consideration of the matters with which the special committee had dealt and for the first time the government took control of the matter and became responsible for the passing of those estimates.

As the hon. member for West Edmonton (Mr. Stewart) stated a few moments ago, there have been some criticisms of the results obtained by that particular committee. I was a member of the committee, took as active a part in its deliberations as I found possible, and was deeply interested in the information given to us. What was done in that committee however formed no shelter for the government which subsequently, for the first time, took into its consideration the results of the committee's work and authorized the expenditure of the moneys included in the estimates.

In the committee of supply we have placed before us a governmental estimate—if you like, a departmental estimate. It is brought down in committee and subjected to search by questions asked in committee; officials of the department are here to assist, and the estimate is treated, from first to last, as money being spent under the authorization of the government in power, a government which is responsible to the house for the expenditures of public moneys. Nor do we derive much help, as I see it, from studying the practice adopted in the British House of Commons, because in this House of Commons we have not the extreme detailed work they have in the British house. Not only does that house consider the problems of overseas colonies, but they must consider the smallest matters relating to local government boards, matters which in this country would be treated as municipal affairs. However, in Great Britain all those small details come within the purview of the British House of Commons and could not possibly be properly considered unless some short cut were adopted to bring them to the point where they might be passed by the government and brought into the spending category.

In my view the hon. member for Comox-Alberni (Mr. Neill) made a very good point in his discussion of the matter when he said that the government and hon. members generally could derive a fairly accurate cross-section of the opinion of the house during discussions on the estimates in committee of the whole. With the hon. member for Macleod (Mr. Coote) I can very well see that there is every opportunity before a select committee,

such as the agriculture committee, for inquiry into a particular subject. In such a committee however we get only the views of those on the committee interested instead of the views of all hon. members who happen to have a like interest. Toronto has received very little from this House of Commons by way of expenditures; we have every reason in the world to complain. But I cannot see that we would get any more if the suggested change were adopted. Nor do I think that the argument that estimates are put through too quickly has any more strength than the argument that they are put through too slowly, or that too much time is wasted in their consideration. I have seen estimates involving expenditures of hundreds of thousands of dollars pass committee of supply in less than a second; on the other hand I have seen very small matters take up the attention of the committee for hours. Sometimes it is done deliberately, and used as a weapon. But I do not believe we will be relieved from that opportunity for deliberate obstruction by the method suggested by the hon. member for Muskoka-Ontario. I fail to see how his suggestion will save the time of the house. The members working on the committees will have their mornings taken up in consideration of the estimates; those estimates will be brought back to the house, and, except for the interrogation of members who have already considered the estimates in the smaller committee, I cannot see where there will be any stopping of interrogation by other members equally interested. I believe there would be as lengthy discussion when the report came back to committee of the whole as obtains under the present system. If members of the special committees wish to discuss matters with the officials before them, well and good, but I remain to be convinced that the changed system would have the effect of saving the time of the house.

I do believe, however, that there must be more in the notice of motion before us than I had thought, and while I cannot say the hon. member for Muskoka-Ontario will attain his objective I am ready to vote for the appointment of a committee, in order that the whole matter may be threshed out and if thought advisable some solution or recommendation be brought to the house. As a matter of fact I do not believe that on discussion of the estimates there is as much time wasted as there is in committee discussions on other matters. I am not saying it offensively, but the fact is that a great deal of conversation takes place emanating from different quarters of the house on subjects which, before the speechmaking is completed, are worn quite threadbare and do not give any particular advantage to the country. Time is taken up in discussions of matters dear to the hearts of some hon. members but which may be a bit faddy. Hon. members are entitled, however, to speak on such subjects as much as they like. I am not objecting to hon. members pursuing their hobbies or fads, or speaking as long as they please, but I do venture to say there is as much time taken up in that way without advantage to the country as there is in the discussion on the estimates when they are before the committee of the whole.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, I should like to speak for a few moments in support of the motion before the house. In my view the procedure suggested, namely that of passing upon the estimates in committee prior to introduction in committee of the whole, is not calculated to shorten the work of the house and will not shorten the session, nor in my opinion is it particularly desirable that it should.

To my mind the important argument in its favour is that the discussions, when they do take place, could be based on much more accurate information, and so be much more intelligent than they are at the present time. I suppose I have followed the work of the committee of the whole as closely as the average member during the last twelve years, and I have found, as I think all hon. members will agree, that at least half the time in committee of supply is spent not in eliciting information of importance with respect to expenditures of money, but in debating comparatively trivial matters from a more or less political viewpoint. Time after time when an estimate is before the committee an hour, yes or a day or two, may be spent over some comparatively small thing, and then the vote itself, a large vote, goes through with practically no consideration at all. My reason for supporting this proposal is that before such a committee those who are definitely interested and who might desire to obtain accurate information as to the way in which money is spent, and the actual need of a particular expenditure, would undoubtedly elicit that information from the officials who would be brought before the committee. They would realize, as all of us who work on a committee do, that in the main the work of the committee is not supposed to take the place of the work in the house but is preparatory to it, and that it would enable hon. members in the committee of supply and in the house to ask for and

receive information that would be of value to the entire committee. It might, I believe would, centre the attention of the house upon important matters of expenditure, instead of, as is too frequently the case at the present time, upon more or less trivial questions of political import. I do not believe it is of central importance that it should or that it would materially shorten the session. But I do believe it would give to the house year by year a far deeper and more accurate conception of the expenditures of the country. As we see the effects of the expenditure throughout the country, as we travel around and see the white elephants erected in every part of Canada as monuments—I will not say to the lack of intelligence, but perhaps to the indifference of parliament in respect of expenditures—and as we see the weight of debt and the attitude of the people towards it, I think we will agree that anything which would give us more intelligent control over parliamentary expenditures would be all to the good. I believe that through the adoption of this proposal we can have a more intelligent conception and therefore more intelligent control of parliamentary expenditures than we can have under the present system.

I for one would be delighted to give a special committee as requested the opportunity for considering this whole question and if possible suggesting a better method of dealing with estimates. That is as far as the motion goes. After all the main argument in favour of the motion lies not so much in the very fine presentation made by the hon. member for Muskoka-Ontario (Mr. McGibbon) as in our knowledge of what has gone on during past years and in the condition of public indebtedness and the public treasury at the present time. I think we all recognize that it will stand a great deal of improvement. The responsibility of checking expenditures is upon us, and this will enable us to discharge that responsibility with some degree of intelligence and knowledge.

As for the necessary and desirable opportunities of discussing grievances in the house on motions for going into supply, after all not only the report of the committee but every item of the estimates would have to go through the committee of the house just as they do to-day, except that they would go through after at least those interested had obtained in committee information which they cannot obtain here, and which would, as I said, enable them to give some guidance to the committee in questioning and examination of the ministers.

[Mr. Speakman.]

I believe, Mr. Speaker, that no harm would come, and possibly good results would ensue from the adoption of this procedure, and I should be glad to see the motion pass this house.

Mr. WILFRED HANBURY (Vancouver-Burrard): Mr. Speaker, I know that all the members who have spoken on this resolution have been members of the house for some years, therefore as one who came here in 1930 I wish to speak on behalf of the younger members. It is the duty of every member of this house to become conversant with the business of the country, and I do not know of any better way of achieving that object than by having the details of the estimates placed before them as they come from the ministers. If there is no other reason I submit that the government have a duty to the younger members of this house to see that they are placed in a position—not where they have to go before some committee because after all, we are only human; we cannot go to several committees in one morning,—where they have the details of the estimates placed before them in such a way that when they return to their constituents to answer for what they have done in this house they can give an intelligent answer as to what they have voted for or not voted for. That is one reason why, although the hon. member for Muskoka-Ontario (Mr. McGibbon) is entitled to great credit for the manner in which his motion has been presented, I cannot support it.

One other objection to the resolution is this; it is quite conceivable that a minister could take his deputy to the special committee and have all the questions answered there, and the minister not be conversant with his department at all. That may be far-fetched, but it is conceivable, and I do not think it is the intention of this house or of the people of Canada. For these reasons I am opposed to the resolution, principally because I think the younger members are entitled to get all the information they can from the questions asked by the older members and by themselves as to what the proposed expenditures are for.

Mr. J. E. LAWSON (West York): I wish to compliment the hon. member for Muskoka-Ontario (Mr. McGibbon) not only for the excellence of the wording of this resolution but also for the very fine historical sketch which he gave on the development of the functions of parliament and the evolution of our rules of practice and procedure. I entirely concur in what has been said with respect to

the resolution by the hon. member for Red Deer (Mr. Speakman), and I rise only to speak in support of the resolution because there is one aspect of the economic situation of this country upon which I think it may have considerable effect.

We constantly read in the public press of a growing demand for reduction in taxation consequent upon government expenditure. I wonder if all hon. members of this house realize that in the organized parts of the province of Ontario we have five taxing bodies, each of which in turn has a staff which has to be maintained by public expenditure. In a village, town or township in the organized part of Ontario, as well as in the city, you have first a school board, which, although it does not itself impose taxation, nevertheless determines what taxation shall be imposed and the municipal council automatically has to impose that taxation. Then you have the village, town, or township council, as the case may be, functioning to impose taxation. Then you have the county council, which is made up of representatives of the councils of the local municipalities that I have mentioned imposing taxes. Then you have the provincial government, like the others maintaining a staff and imposing taxation. Then you have the Dominion government, which is also a taxing body. Some time ago I read some statistics, which I believe to be accurate, which showed that of every seventeen or eighteen persons you meet on the street one is maintained by some government, some municipal institution or some taxing body.

An hon. MEMBER: One out of seven.

Mr. LAWSON: I hardly think the average would be as high as one out of seven. Even assuming that my recollection is correct, I think hon. members will agree that if we are to have economical administration we should favour the study of any proposal which is designed to bring about that condition. As I understand it, the hon. member for Muskoka-Ontario (Mr. McGibbon) merely proposes that a select standing committee of this house be set up to consider the question of referring certain agreed estimates to a committee of the house, and it seems to me that this committee can function without additional expense to the country. It will be able to consider the question much more thoroughly than can be done on the floor of this house, so I unreservedly support the resolution.

The hon. gentleman who preceded me expressed some fear that the information which he may obtain as a member of the house under the present system would be curtailed. I think his fear is groundless. In the first place, if he should be a member of the committee studying the estimates he will obtain the information at first hand. If he should not be a member of the committee, then he can obtain all the information he desires from the published reports of that committee. Then he has ample opportunity for full discussion of the estimates when they are sent from the committee to the house. To my mind, sir—and I hope no hon. member will take offence at my statement—this is what we will accomplish; I have observed, as I am sure many other hon. members have observed, many occasions in this house during the consideration of estimates when questions were asked apparently soliciting information which really added nothing to the consideration of the item then under review. In my opinion, sir, if such a committee were set up the time of that committee would be taken up in ascertaining all necessary information, and the time of the committee of the whole house would not be taken up so much in seeking that information but would be devoted to the discussion of the estimates in connection with which the information was already available.

One hon. member fears that this step may be an encroachment upon the doctrine of responsible government, but I am unable to follow that line of reasoning. The government of the day still would have to take the responsibility for its estimates, and I feel convinced that if as a result of the development of information in that committee, or if as a result of the discussion in the house based upon that information the government sensed the cross-section of opinion which has been referred to, it would have the same effect on the government that is now shown in the discussion which takes place in the house.

My hon. friend from West Edmonton (Mr. Stewart) pointed to the work of the special committee on national railways and shipping; apparently he thought a committee of the house studying the estimates would be in an analogous position. I have not been a member of the railway committee since I have been a member of this house, but if my information is correct, one of the difficulties which confronted several members of the railway committee has been that when questions were asked concerning some proposed expenditure, the attitude was taken that it was not in the public interest to answer those specific questions. I can readily appreciate that this ground might be well taken when we are operating a public utility in competi-

tion with a private enterprise, but surely no such situation could arise when the government was endeavouring to pass its estimates through this house. Therefore I am very strongly in favour of the resolution, and I believe the matter should be sent to a select committee for consideration.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the ground has been so fully covered and, I think, the objections so well answered that I do not wish to take the time of the house to say anything with regard to the resolution except that I heartily endorse the principle. I might express the hope that if such a committee should be set up it might consider the possibility of the establishment of not one committee but of a number of committees roughly corresponding to the different departments, in order that a number of members may be at work at the same time, and of course any controversial item could be discussed on the floor of the house. I think the mover of the resolution is to be congratulated for having brought this matter before the house.

Hon. JAMES MALCOLM (North Bruce): I am sorry I was not able to hear the remarks of the hon. member for Muskoka-Ontario Mr. McGibbon) who introduced this resolution; I only came into the chamber when the hon. member for Macleod (Mr. Coote) was speaking, but I have listened with considerable interest to the remarks made in support of this resolution.

The hon. member for Macleod discussed the very much overworked member of parliament; he said he thought the work of the committee of the whole in dealing with estimates added much to our labours, and expressed the view that as a result of the strenuous work we carried on here a good many members had died. I want to say to the hon. member for Macleod that I do not think the setting up of such a committee will do anything but add very materially to the work of the hon. members of this house. We are supposed to be in the house in the afternoon and evening. The morning is the only time we have to look after our personal mail and office work, and at present there are regularly constituted committees which take up enough of the morning without adding more committees. I strenuously object to his argument in favour of the resolution on the ground that it will lessen the work of the members.

I understand that the desire of the hon. member who introduced the resolution is to bring about economy, yet in speaking on this subject the hon. member for Red Deer (Mr. Speakman) admitted that it will not result in any economy in public expenditure. Indeed, he said that members of the house would have the benefit of all the evidence submitted to the committee.

Mr. SPEAKMAN: There will be a saving of time.

Mr. MALCOLM: There will be no saving of money, I am sure, because if the reports of the committee are to be of any use to the members of the house, those reports will have to be printed and members will have to take time to study them. It has been said also that items are rushed through. That is quite true. Many of the large items contained in these estimates do not need to be considered for a moment, because the government is obligated to make the expenditures in pursuance of previous commitments, and these items are not controversial at all. The only items contained in the estimates which are controversial are perhaps expenditures which are not always of a major nature. I submit that there is really very little use in discussing nine-tenths of the estimates submitted by the Prime Minister and his government, because the government are not responsible for the items, which are voted in the ordinary course of federal business. I rather resent the criticisms which have been made as to the size of these estimates. In defence of past parliaments and the present parliament, may I say that in none of the spending bodies of the dominion has there been so little increase in expenditure as in the case of the federal body. My hon. friend referred to the tremendous burden of debt but he knows quite well that two billions out of the two and a half billions of debt was not voted by this house, but came about as a direct result of the war. If he knows anything about Canadian finance he knows that the Dominion of Canada is spending only about one million dollars a day in the administration of its business, and that fully half a million dollars a day is taken up in the interest on the national debt and the payment of pensions to our soldiers. He knows perfectly well that before the war the expenditures of this parliament were a larger percentage of the present-day expenditures than is the case with the provincial and municipal bodies. I contend that with the exception of the tremendous burden of debt incurred during the war, the federal government has not increased the burden of taxation upon Canadian taxpayers to the same extent

as the various municipal and provincial governments.

The present and past methods of dealing with the estimates presented by the ministers, have been very satisfactory, and I do not think anything would be gained by having these taken up in a small committee room where a few hon. members would deal with all the estimates. Every hon. member is interested in certain items and he makes it a point to be present in the house when those items are to be considered. The ministers know from the attitude of the representatives of the people whether or not certain expenditures are justified. As one who has put estimates through the house, I know that valuable information is gained from the speeches delivered on the opposition side as to the justifiability of certain items. I agree with the Prime Minister (Mr. Bennett) when he says that the items are not likely to be changed, but I do not agree with him when he says that the influence is not there. It happens quite often that the following year's estimates will show a reduction in a vote because of the temper of the house when the previous estimates were being considered.

Mr. COOTE: It depends upon the government.

Mr. MALCOLM: My hon. friend has never put estimates through the house. If he had he would probably have a different viewpoint. He has never been a member of the government.

Mr. BENNETT: He has hopes, though.

Mr. MALCOLM: I appreciate the idea in the mind of the hon. member for Muskoka when he made the suggestion that the railway estimates could not be dealt with in the house as well as before a committee where the officials could be called to explain their expenditure. However, as the hon. member for Toronto South (Mr. Geary) pointed out, it is an entirely different situation when a minister is presenting his estimates. He has before him his deputy, who can advise in connection with the various questions asked. He knows what his own policy is and can answer accordingly. The questions asked in connection with the estimates are not so numerous in comparison with the number of items which go through. There are pages and pages of items dealing with civil government salaries upon which no discussion is had. There are pages of items which are continued year after year without change; they have been discussed in previous years and no further discussion is necessary. I have in mind one item dealing with steamship subsidies in the maritime provinces. Year after year I was questioned by the present Minister of Trade and Commerce (Mr. Stevens) only in connection with the changes made in this vote. The changes were discussed and explained and the whole item finally went through. There is no use discussing items which are established from year to year as the government is not in a position to make radical economies in that regard. As I said at the beginning of my remarks, many of the items represent commitments which the government has to put through in the ordinary course of its business.

I do not think anything will be gained by taking away the privileges of parliament. It would be a mistake to restrict still further the time available to members in the mornings; nothing would be gained because when the report of the committee was presented to the house a member would be able to discuss those items in which he was interested. For these reasons, I am not in favour of the resolution.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, it is rather interesting to hear what a former minister (Mr. Malcolm) has to say with regard to the information he received from the discussions of the house in committee of the whole. I am quite satisfied that the average minister receives considerable information in that way. The resolution moved by the hon. member for Muskoka (Mr. McGibbon) is not intended so much to control the expenditures of government as to expedite business. The members of parliament who are elected to attend to the affairs of the country are supposed to consider all matters from the viewpoint of the country as a whole, but it has been the practice of many hon. members to consider many matters only from the viewpoint of their own particular constituency. When the estimates are presented to the house, each hon. member has his eyes glued upon them to see whether or not there is anything for his own constituency. If the estimates were put through in one report, as is intended by this resolution, each hon. member would have the opportunity of discussing those items in which he was interested. It would make no difference to hon. members but would mean an economy in time in passing the estimates through the house.

We find very frequently that the passing of estimates is used for obstructive purposes rather than the obtaining of information. I remember that when the estimates were before the house last session the opposition held up the business of the house by asking a lot of questions which did not bring out any useful

information. The consequence was that the time of the session was extended and an increased expenditure had to be made by the government. The government knows what is needed for the country, they know the amount of expenditure which is necessary. They know what their program is to be for the coming year, they know that a certain amount will be required to carry that out. In order to pay their indebtedness they budget for a certain amount, and the House of Commons cannot control that in any way. I am not in favour of doing anything by which the members of the cabinet would not be in control of their particular departments. The minister of each department knows how much money will be needed and what expenditures are necessary during the coming year.

Not only would the business of the house be expedited by the adoption of this resolution, but the report of this committee would make the information available to every member of the house more accurate in character. I am quite sure it would be necessary to have those reports printed, and to that extent expenditure would be increased, but each member would have them available to read what he wanted to find, and the minister, if he so desired, could read the reports and give the information in the house while the estimates were being considered in committee of the whole.

There would also be time economized for the individual member. Last year we stayed here a very long time, longer than was necessary. Not only did this cause an increase in expenditure, so far as the country is concerned, but it also created an increased expenditure for the individual member, because we might have been home long before. I notice many times members of the Progressive party feel we stay here too long and they are unable to return home in the spring in time for seeding. It would be advantageous for members from the west as well as from other parts of the dominion to be able to return home earlier in the year and not to stay here until the hot weather drives us out. Consequently I am in favour of the resolution introduced by the hon. member for Muskoka, and I should be glad to see some method adopted whereby the session might be shortened.

I was very much interested in the remarks of an hon. member on the back benches who gave his viewpoint. He will get over it in a few years. When I first came here I was of a similar opinion, that it was of advantage to have an opportunity in the house to ask questions in regard to public expenditures. One gets the information in that way, but as I said before, he can get it from the report of the committee. If the house would take into consideration the benefit that might accrue and not look at the matter from the viewpoint of obstruction, this resolution, if put into effect, would bring about considerable economy for the government and in addition the situation would be of advantage to the individual members.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I have listened with great attention to the discussion on this resolution. It is proposed that:

> A select committee of the house be appointed to consider the advisability of referring certain agreed estimates to a special committee where all information relating thereto may be provided by the ministers after which the committee shall report to the house, such report to be debatable in detail under the rules of procedure.

I would be inclined to support this resolution if I thought it would be conducive to some good and if it would, as has been said by some hon. members, reduce the time and expense of the session as well as the cost of government. If a committee is to be formed, this means that a new special committee will be added to the list of the various numerous committees we have at present functioning under the rules. As a whip who has been in charge for many years not only on the government but also on the opposition side, I know how difficult it is, with the committees we now have functioning, to get members to attend them. We have at present enough committees to deal with all matters that are referred to them and for the proper conduct of public affairs. The addition of a new committee to that list will have the effect, not of expediting the work, but of increasing the difficulty that we now find with committees, of obtaining attendance and proper consideration.

Further, if a special committee is appointed to look after these estimates before they are presented to the house, many members, as has been said before, will not be members of the committee. It is true they will have the right afterwards to discuss the matters when they are brought before them in the house. But as everyone knows, when you are a member of a committee you have by that fact a better opportunity to make known your views before it. It is the duty of parliament to preserve for all hon. members the right they have of controlling the expenditure of public money and of having a say as to how this money should be appropriated. That is one reason why I think that we should not adopt a resolution setting up a special committee to discuss the advis-

ability of forming another committee to deal with these special cases and to provide for the selection of the estimates to be presented to the house.

I believe also the point raised by the hon. member for Vancouver-Burrard (Mr. Hanbury) is a good one, that new members are not so conversant as are older ones with the way in which business is conducted and the procedure relating to debates on the estimates, and the new members who come here from year to year are entitled to discuss fully in open house the various matters that are submitted to us in the estimates. I notice very often, when estimates come before the house, not so much time is lost in discussing the different items. As the hon. member for North Bruce (Mr. Malcolm) has stated, regular items, voted from year to year, go through quickly; other items that are new are debated more thoroughly. The same thing happens when, for certain reasons, as, for instance, last night when we discussed cadet training, the item is one of special importance and should be thoroughly discussed. The discussion on cadet training was one of those instances where an open debate might well have been prevented, if that special committee had made a set-up of those estimates and submitted it afterwards to the house.

Another reason is this: A few years ago we had a full revision of the rules of the house made by a special committee selected from the oldest and most competent members on both sides. The members of that committee, in their wisdom, did not think proper, with the information they received from people who came before them, to recommend such a special committee to deal with the estimates.

Mr. McGIBBON: May I correct the hon. member. They did make such a recommendation.

Mr. CASGRAIN: Well, if they did, I am sorry they did not bring up the matter in the house for discussion. If that is the case, I do not recall its being discussed openly. If the idea had such merit it should long ago have been adopted. But if it was not adopted or not pressed very strongly at that time, the probable reason was that the people who held the reins of power in those days might have been afraid of the child brought out in the special committee.

If I thought the passing of this resolution would conduce to the better conduct of the affairs of the house, without depriving members of their rights and privileges and would curtail the session and lessen expense, I would be in favour of it. But I fail to see any of these advantages, and for that reason I do not feel I can support the resolution. Before I sit down, I want to congratulate the hon. member for Muskoka on his praiseworthy effort in delving into the past and all the various debates held on this subject and in presenting to the house such a fine statement. I am sorry that I cannot agree with him on the subject matter of his resolution.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, this motion is one that asks the house to refer to a special committee a question of procedure in the conduct of the business of this chamber. That is all. The case which was made by the hon. member for Muskoka-Ontario (Mr. McGibbon) in my opinion warrants such a committee being set up. In 1932 the British parliament set up a committee which considered this and other matters at very considerable length and made a report, in the course of which, dealing with the question of the estimates, they said:

> Your committee, therefore, make it their first recommendation that the estimates committee should be enlarged, and that a close working arrangement should be established between that committee and the public accounts committee. They are of opinion that, while estimates and accounts are separate matters, it would be advisable that closer touch should be established between the working of the two committees. They think that it should be within the competence of the estimates committee to take into consideration matters of policy as well as of detail, and that it should be one of their duties regularly to survey the relation of the total public expenditure to the national income. It is obvious that the staff at the disposal of the present estimates committee is inadequate to the performance of their responsible duties, and your committee have considered how this difficulty could best be overcome. They are not of opinion that this duty should be allotted to members of the treasury staff. Every estimate, before it has been presented to parliament, has already been submitted to the treasury and passed. Once its sanction has been given, the function of the treasury must rather be to meet and answer criticism than to stimulate and direct it. Your committee are quite clear that the effective work done by the public accounts committee is largely due to the fact that they have at their disposal the reports and investigations of the staff of the Comptroller and Auditor General. They consider that the estimates committee ought to be provided with an official adviser of the same kind, with similar powers of investigation. They are aware that this is a major departure, but they do not think that any members of governments or of the house, can look back over the last ten years without desiring to overcome the difficulties which have hitherto stood in the way of an effective control by the House of Commons of public expenditure. They need only recall that during this period outside committees have been set up on two occasions in grave national emergencies to do work which ought to have been done, and could have been done, had the machinery been available, by members of the

House of Commons. On consideration of the evidence placed before them, they are inclined to recommend that the adequate technical advisers for the service of the estimates committee should be taken from the staff of the Comptroller and Auditor General. They understand, however, from the Comptroller and Auditor General that there would be difficulties in carrying out this recommendation, partly on statutory grounds, and more particularly, on the ground that it might complicate the relations between the Comptroller's staff and the departments. Your committee, accordingly, urge that, if these difficulties prove insurmountable, the estimates committee should be provided with an independent technical staff adequate for their functions.

Your committee have also considered the question of the lack of opportunity under present Standing Orders for an adequate discussion of the reports of the public accounts and estimates committees; and they recommend that at least three of the supply days should be set aside for a definite consideration by the house of the reports from the committees, whether they cover the whole, or any part, of the annual estimates and accounts.

The fact that a committee of the parliament of Great Britain arrived at that conclusion does not, of course, except by reason of the large experience they have had in that house, give any weight to the conclusions which may be reached here except, as was pointed out by the hon. member for York-Sunbury (Mr. Hanson), that they have to deal with many problems there that we have not yet encompassed.

This is a matter dealing with procedure. It is a question of how we can best conserve the time of parliament in order that matters of the greatest importance may receive the most consideration. The matter of estimates which involve the expenditure of public moneys being freely and fully considered not only in their details but, as has been pointed out, in relation to questions of policy, is a matter of such importance I think as to warrant investigation by a select committee of this house, more especially in view of the fact that when the rules were under consideration on the last occasion a report was made which contemplated the possibility of just such action being taken.

But there were difficulties. The right hon. leader of the opposition (Mr. Mackenzie King), then leading the government, discussed this matter at some length one afternoon, and I remember that I pointed out the difficulties that I foresaw in dealing with estimates purely as a matter of committee management. The former Minister of Trade and Commerce (Mr. Malcolm) has pointed out some of those difficulties. But there is no member of this house who does not desire that every step should be taken and every means within our power employed that will conduce to the effective and efficient conduct of public business. I do not say that that will be accomplished by reason of this particular step being taken, but I do say that it is worthy of consideration.

Unfortunately I was called out of the chamber during part of the remarks of the hon. member for Muskoka-Ontario, but listening to the very strong case that he made and the illustrations he gave I think most of us will be inclined to agree that on more than one occasion during our time in this house small matters have been magnified and much time has been taken up with questions that affected large matters of policy in only the very slightest degree. It is the inevitable result, of course, of our present system of government. Whether or not the effect of appointing an estimates committee will be to remedy the defects which are apparent to all of us, I cannot say.

I can best illustrate my position in this way. We, in this country, at the moment, are confronted with great difficulties, and there is a tendency on the part of many to say: Well, we can never get along, and we must therefore start anew and repudiate the past. That is probably the severest criticism that could be made against democracy. As to how democracy is to be trained to a sense of its responsibilities, whether results are to be arrived at by counting heads regardless of the qualifications of the heads to deal with the problems engaging their attention, is still, so far as government is concerned, the greatest question confronting mankind. If the committee to be set up in pursuance of this resolution looks into this matter and arrives at only a partial solution of the problem, we shall have done something perhaps to bring home to the mind of each one of us and of those whom we represent that, after all, in the ultimate analysis, whatever happens and has happened in the past, whether it be the building of railways or obligations of another character matters not, they have been undertaken by the will of the people; and the uncontrolled and unfettered exercise of power by a majority has brought about the position in which we now find ourselves. If the committee carrying out this investigation along the lines suggested by the hon. member for Muskoka-Ontario is able to make a report which will simplify the procedure of this house in dealing with financial problems, I believe it will have done this country a service. As a considerable number of hon. members with large knowledge and wide experience are anxious to make some contribution to their country, I support the reso-

lution, and propose, if it is acceptable to the house, to appoint a committee of hon. gentlemen who have not enough to do, remembering that Satan finds some mischief still for idle hands to do, and who might possibly be better employed in dealing with a problem of this kind than in the idleness which sometimes invites a game of bridge or other less attractive pastime. I trust that the house with that object in view will adopt the resolution and appoint a committee representative of all parties of the house composed of members with wide experience to make suggestions and recommendations as to how, dealing with financial problems arising out of the estimates, we may best—shall I say?—prevent abuses and improve the present procedure of this house.

Mr. NEILL: If the Prime Minister will allow me a question, would not the object sought be better achieved by an extension of the functions of the public accounts committee? I have here the debates of 1930 in which the right hon. gentleman himself took that view at that time.

Mr. BENNETT: Mr. Speaker, the question which the hon. member for Comox-Alberni has asked is one which has given me cause for consideration on more occasions than I care to think. How much work has the public accounts committee of this house done during the last five years?

An hon. MEMBER: Very little.

Mr. HANSON (York Sunbury): Has it met?

Mr. BENNETT: Yes, it met once or twice. I dare say that the present leader of the opposition, looking into the matter, found that the estimates committee were correlating their activities to those of the public accounts committee in England. I was amazed, in the investigations I made in England, to find the care with which study was given to the expenditures of last year by the committee of the house this year, in order that they might satisfy themselves that the moneys voted by parliament had been properly expended. So much so that on one occasion I was struck with the fact that they reported upon the wages paid to labourers at Portsmouth in connection with public undertakings. When the matter was under discussion in this house at the instance of the then leader of the government, I directed attention to the fact that I did not think the public accounts committee in the last parliament had done any work comparable to that which it was originally intended they should do. I am satisfied that on investigation a committee of the house may be able perhaps to stimulate the activities of that committee or make some other finding with respect to procedure which will render more efficient the effective control of the finances of the country.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I should like to give credit to the hon. member for Muskoka-Ontario (Mr. McGibbon) for the way he has presented his case to the house. I believe he did it in all seriousness and with the very best intentions. If I were convinced—which, for the moment, I am not—that his resolution if carried out would achieve that which he hopes, I should be quite willing to support it. In his proposed resolution I find the expression:

> That, in the opinion of this house, in order to decrease the cost of government, shorten the length of sessions, and deal with the business of the country in a more practical and intelligent way, a select committee of the house be appointed.

And so on. From what has been said in the course of the discussion this afternoon I am at a loss to know how the appointment of a select committee would, first of all, decrease the cost of government. To effect a decrease in cost there would have to be a shortening of the session.

Mr. McGIBBON: Read the whole resolution.

Mr. SANDERSON: I have read it all; if the hon. member will just allow me to proceed for a moment or two I shall be most obliged to him. I did not interrupt him when he was speaking.

Mr. McGIBBON: I am sorry.

Mr. SANDERSON: I do not see how it would shorten the length of the session, because, whether we like it or not, we all know that in discussions, whether on the floor of the house or in select committees, politics arise. A select committee appointed by any government would be a committee in which there would be a majority of government supporters. From my experience in this house I have come to the conclusion that in most select committees—not in every committee I have been on—but in most committees, politics come in to the fullest extent.

Mr. McGIBBON: We have always had unanimous reports.

Mr. SANDERSON: Yes, they may be unanimous when they are made, but they are not unanimous when they reach the floor of the house. Time after time select committees have brought in reports which, though

supposed to be unanimous, were not accepted by a majority of the members of the house. I have no doubt that the select committee advocated by the hon. member for Muskoka-Ontario might bring in unanimous reports, but they would not be unanimous when they reached the house. In my humble judgment, instead of shortening the sessions the proposed change would add to their length. There would be debate and controversy in committee, and a duplication of that debate in the house.

Another point occurs to me, namely, that whether private members happen to be on the government or the opposition side, they have very few privileges. One privilege they enjoy, however, is that of taking part in discussions on the estimates; they may approve or criticize. To my mind that discussion should take place on the floor of the house, because it is the government of the day which is responsible for the expenditure of public moneys, and the fullest possible publicity should be given to such discussions. If the resolution before us were adopted and a select committee considered the estimates, there might be a tendency to say: "This is what the committee decided to do; we want the members to back up the report." In such circumstances I for one would not approve; I should still want to have the privilege I hold as a private member to enter into a discussion on the floor of the house concerning any estimate which might come up. I am convinced the resolution would fail in its purpose of shortening the session or decreasing costs of government. As I said a moment ago if I thought for one moment it would achieve the purpose which the hon. member for Muskoka-Ontario believes it will, I should be inclined to support it. I have come to the conclusion, however, after listening to the discussion, that I for one would prefer to follow the old practice of having the estimates presented on the floor of the house so that every hon. member may give full attention to them. For these reasons I cannot vote for the resolution.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I rise to a point of order. I submit the resolution is out of order. A decision has been made on a resolution couched in exactly the same language as that now before us, and in view of that fact I say the present resolution is contrary to the rules of the house. For instance, there is a rule which states the house shall meet at three o'clock in the afternoon. If I chose to introduce a resolution stating that we should meet at three o'clock in the afternoon, would I not be ruled out of order?

[Mr. Sanderson.]

Let me compare the two resolutions. The only possible difference is that in the present one the hon. member for Muskoka-Ontario (Mr. McGibbon) has made use of a preamble. Notoriously, however, a preamble is not connected with the substance. If we left out the preamble, the resolution would read in this way:

That, in the opinion of this house, a select committee of the house be appointed to consider the advisability of referring certain agreed estimates to a special committee.

The rest of the resolution is in the nature of a preamble, and is not essential. I shall read the resolution which was introduced on March 12, 1930, by the hon. member for Camrose (Mr. Lucas) who moved:

That, in the opinion of this house, the estimates should be referred to select standing committees before being submitted to the committee of the whole.

That, of course, is somewhat different to the one now before the house. But the same day it was amended by the hon. member for Macleod (Mr. Coote) who moved the following resolution:

That the resolution be amended by inserting the word "certain" in place of the word "the" in the second line thereof, and by inserting the words "or a special committee" after the word "committees" in the second line thereof.

So it would read like this:

That, in the opinion of this house, certain estimates should be referred to select standing committees or a special committee before being submitted to the committee of the whole.

That is precisely the resolution that the hon. member for Muskoka-Ontario is now seeking to introduce. I may say that the motion of the hon. member for Camrose, as amended by the amendment of the hon. member for Macleod, was agreed to on division. The division is not stated. It will be found on page 550 of Hansard of the 13th of March, 1930.

I submit that we cannot do what we have already done, as it were. The thing is superfluous. We have already agreed that certain estimates shall be referred to either select standing committees or a special committee. Therefore the motion to-day is wholly superfluous, and I submit, sir, that it is out of order.

Mr. SPEAKER: The resolution to which the hon. member refers was introduced at a previous session, not at this session; therefore it does not affect the motion before the house to-day.

Mr. NEILL: Then would it be in order for me to move that the house meet at three o'clock to-morrow and spend the whole afternoon debating it?

Mr. BENNETT: These are standing committees.

Mr. SPEAKER: In the meantime I find that the resolution is in order.

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, I desire to join in the compliments that have been tendered to the hon. member for Muskoka-Ontario (Mr. McGibbon) for the splendid presentation he has made of this resolution. We appreciate that he is an experienced member of the house and is qualified to suggest ways and means of expediting the business of parliament. I believe there is a strong feeling throughout this country that we spend here days, yes weeks and months more than are necessary. I appreciate also the objection voiced by some of those who sit to your left, Mr. Speaker, and indeed by some who sit to your right, that the adoption of such a proposal would to some extent limit the rights of individual members. Personally, however, I cannot agree with that, because when the report of the committee comes back to parliament it is only reasonable to assume that the right of examination and debate would still exist. On the other hand I am inclined to believe that in this parliament, as well as in other legislative bodies, the privilege of discussion of the estimates has been much abused. I recall sitting in the legislature of Ontario until four o'clock in the morning over some trifling matter, while in the later days of the session the house would rush through millions of dollars of estimates without so much as the batting of an eye, even on the part of His Majesty's loyal opposition. Therefore I feel that the estimates provide an excuse for those who wish to gain political advantage.

I believe it would expedite the business of parliament if the estimates were first submitted to a committee. There is a feeling throughout this country on the part of business men that we, representing the people of this dominion, transacting the biggest business in Canada, do not do so in a businesslike way. It would be ridiculous if a board of directors carried on some of the petty discussions that have occurred in this house on matters that come up in the estimates. We come to parliament, the speech from the throne is brought down, defining to some extent the general principles and policies of the government of the day. Then we have the budget, setting forth, as I have always understood, the general financial program of the government. The estimates are the more detailed and routine administration of those general principles and policies, and it seem to me that the discussions thereon have been in many cases far afield. I have frequently been present when one member would select a certain estimate and take occasion to depart widely from the matters dealt with in that estimate. In fact we have even heard the weaknesses of government policy, or the fiscal policies of the government, discussed and condemned by those who sit to your left, sir, on items merely affecting some particular ward in a riding. Therefore it seems to me this proposal would be a step in the right direction and would do no violence to the desire of hon. members to safeguard their rights as members of this house.

I think the country is anxious that we as its representatives should be practical in the administration of its affairs. So I am therefore prepared to support the resolution, feeling that it would not in any way deprive individual members of their rights, even the younger members, but would tend to do away with the abuse that occurs when an hon. member talks forty minutes and again five minutes and later another forty minutes. It would tend towards shortening the sessions of parliament and giving the members opportunity to attend to their own business, and yet would not restrict proper debate. It would indicate to business interests that we appreciate the fact that we are here for a higher purpose than that of marking time and playing politics on matters that are important to them as taxpayers. Therefore, Mr. Speaker, I wish to call it six o'clock.

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

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## Thursday, February 16, 1933

The house met at three o'clock.

### PRIVATE BILLS COMMITTEE

Mr. T. H. STINSON (Victoria) presented the first report of the select standing committee on private bills.

Mr. Stinson moved that the report be concurred in.

Motion agreed to.

### PRIVATE BILL

#### FIRST READING

Bill No. 29, to amend and consolidate the several acts relating to the Board of Trade of the City of Toronto.—Mr. Geary.

## CUSTOMS ACT AMENDMENT

Hon. E. B. RYCKMAN (Minister of National Revenue) moved for leave to introduce Bill No. 30, to amend the Customs Act.

He said: Mr. Speaker, this bill is very simple in character as it involves only four technical or administrative amendments. There is no question of principle involved upon which I should imagine there would be any diversion of opinion. I could explain the bill further if necessary, but I would suggest that such explanation be left for the second reading.

Motion agreed to and bill read the first time.

## QUESTIONS

(Questions answered orally are indicated by an asterisk).

### WATERLOO, QUE., POST OFFICE

Mr. TETREAULT:

1. Was a post office erected at Waterloo, Quebec, in 1929?
2. If so, from whom was lot purchased?
3. What price did the government pay for the lot?
4. Who recommended the purchase of the lot to the government?
5. What was the total cost of building the said post office, including the purchase price of the land and the cost of grading?
6. Did the government appoint an official to superintend the building operations?
7. If so, who was this official?
8. What was his occupation prior to his appointment as superintendent?
9. Was he qualified to superintend and direct said building operations?
10. By whom was he recommended?
11. How long was he employed by the government in this capacity?
12. What salary did he receive?
13. Was a heating system installed in the said post office?
14. If so, what was the total cost of installation?
15. Who sold the heating system to the government?

Mr. CAHAN:

1. Yes.

2 and 3. Part lots 469 and 470 from H. Forand for $3,650. Part lot 470 and lot 471 from G. H. Whitehead and W. E. Hills for $7,500.

4. Clerk of Works, Department of Public Works, Montreal, and Mr. P. E. Boivin, Granby, P.Q.

5. $43,303.99.

6 and 7. Joseph Oscar Seguin was appointed by the Civil Service Commission as a result of a competition advertised locally.

[Mr. Stinson.]

8. He had experience in building construction.

9. Yes.

10. Favourably reported on by the officer of the Department of Public Works as having ability in judging labour, material, reading of plans and understanding specifications, as well as ability to make rough sketches of progress of work.

11. He reported for duty on December 4, 1928 and his certificate expired on December 4, 1929.

12. $1,500.86.

13. Yes, included in general contract for building. In 1929 an oil burner was installed.

14. No information as to separate cost of heating in general contract. Cost of oil burner $800.

15. Sub-contractor for heating in general contract was S. LeBrun, Waterloo, P.Q. Oil burner installed by A. J. Lemieux, Granby, P.Q.

### RADIO COMMISSION STATEMENTS

Mr. CASGRAIN:

Are the statements issued by the radio commission at Ottawa published in French?

He said: Mr. Speaker, on Monday the Prime Minister (Mr. Bennett) stated that this question could not be answered because it was so indefinite. I had in mind the orders and directions issued by the radio commission in Ottawa to the various parts of the country, and I desire to know whether or not these were printed in the French language.

Mr. BENNETT: Could the hon. gentleman reframe his question?

Mr. CASGRAIN: Yes, I will do that.

Question stands.

### EXPORTS OF FOREST PRODUCTS

Mr. HANSON (Skeena):

1. What amount of forest products were exported from Canada to the United States between the years 1922-1932, inclusive, viz.: (a) lumber and planks; (b) logs and pulp wood; (c) telegraph poles and pilings; (d) box shooks and shingles; (e) other forest products?
2. What is the amount, in dollars and cents, for the same years?

Mr. STEVENS:

1 and 2. Canada's domestic exports of forest products to the United States for the years ended March 31, 1922 to 1932, inclusive, were as under:

(a) Lumber and planks:

1. Planks and boards—

| | M. ft. | $ |
|---|---|---|
| 1922 | 933,862 | 30,637,830 |
| 1923 | 1,748,478 | 49,727,219 |
| 1924 | 1,836,756 | 58,104,459 |
| 1925 | 1,633,051 | 48,140,607 |
| 1926 | 1,834,007 | 53,457,655 |
| 1927 | 1,725,628 | 48,252,034 |
| 1928 | 1,565,653 | 42,519,884 |
| 1929 | 1,317,167 | 36,378,168 |
| 1930 | 1,419,327 | 38,399,785 |
| 1931 | 975,219 | 22,935,928 |
| 1932 | 597,712 | 12,544,921 |

2. Timber, square—

| | M. ft. | $ |
|---|---|---|
| 1922 | 4,592 | 100,565 |
| 1923 | 9,558 | 204,624 |
| 1924 | 63,940 | 1,372,145 |
| 1925 | 24,946 | 528,370 |
| 1926 | 14,966 | 343,779 |
| 1927 | 14,296 | 288,489 |
| 1928 | 10,553 | 219,820 |
| 1929 | 9,843 | 210,831 |
| 1930 | 17,809 | 364,908 |
| 1931 | 11,227 | 219,844 |
| 1932 | 5,753 | 90,267 |

(b) Logs and pulpwood:

1. Logs—

| | M. ft. | $ |
|---|---|---|
| 1922 | 132,884 | 2,233,741 |
| 1923 | 165,932 | 2,837,635 |
| 1924 | 200,625 | 3,657,732 |
| 1925 | 186,872 | 3,226,788 |
| 1926 | 213,002 | 3,651,904 |
| 1927 | 166,297 | 2,640,821 |
| 1928 | 210,235 | 3,096,117 |
| 1929 | 150,196 | 2,354,082 |
| 1930 | 171,339 | 2,479,110 |
| 1931 | 151,496 | 1,811,939 |
| 1932 | 145,435 | 1,451,745 |

2. Pulpwood—

| | Cords | $ |
|---|---|---|
| 1922 | 825,967 | 9,789,150 |
| 1923 | 1,096,462 | 10,755,655 |
| 1924 | 1,444,693 | 14,322,714 |
| 1925 | 1,398,237 | 14,137,774 |
| 1926 | 1,310,760 | 13,056,057 |
| 1927 | 1,536,485 | 15,400,343 |
| 1928 | 1,501,612 | 15,182,842 |
| 1929 | 1,406,583 | 14,187,100 |
| 1930 | 1,345,692 | 13,860,209 |
| 1931 | 1,164,555 | 12,040,484 |
| 1932 | 832,924 | 8,196,144 |

(c) Telegraph poles and pilings:

1. Telegraph and telephone poles—

| | No. | $ |
|---|---|---|
| 1922 | 182,889 | 739,585 |
| 1923 | 322,940 | 1,277,456 |
| 1924 | 545,619 | 2,440,681 |
| 1925 | 634,734 | 2,965,351 |
| 1926 | 663,386 | 2,877,467 |
| 1927 | 764,262 | 3,293,128 |
| 1928 | 770,227 | 3,324,007 |
| 1929 | 855,221 | 3,443,283 |
| 1930 | 942,008 | 3,907,649 |
| 1931 | 862,246 | 3,601,464 |
| 1932 | 329,607 | 1,236,112 |

2. Piling—

| | Lin. ft. | $ |
|---|---|---|
| 1922 | 1,068,281 | 116,884 |
| 1923 | 1,237,315 | 107,535 |
| 1924 | 1,672,830 | 185,402 |
| 1925 | 2,566,914 | 202,774 |
| 1926 | 2,608,954 | 196,411 |
| 1927 | 3,007,227 | 232,950 |
| 1928 | 2,025,820 | 157,792 |
| 1929 | 1,661,066 | 122,184 |
| 1930 | 2,663,613 | 202,295 |
| 1931 | 1,950,432 | 147,913 |
| 1932 | 596,045 | 48,890 |

(d) Box shooks and shingles:

1. Shooks—

| | | $ |
|---|---|---|
| 1922 | | 53,974 |
| 1923 | | 14,207 |
| 1924 | (Entered | 8,330 |
| 1925 | | 14,946 |
| 1926 | at | 26,807 |
| 1927 | | 41,174 |
| 1928 | value | 20,813 |
| 1929 | | 14,508 |
| 1930 | only) | 13,729 |
| 1931 | | 8,852 |
| 1932 | | 8,250 |

2. Shingles—

| | M. | $ |
|---|---|---|
| 1922 | 2,217,474 | 7,592,181 |
| 1923 | 2,599,691 | 10,463,921 |
| 1924 | 2,484,757 | 9,104,345 |
| 1925 | 2,557,898 | 9,322,854 |
| 1926 | 2,403,657 | 9,466,849 |
| 1927 | 2,434,242 | 8,324,387 |
| 1928 | 2,035,510 | 6,712,637 |
| 1929 | 2,005,589 | 7,663,419 |
| 1930 | 1,668,858 | 6,599,361 |
| 1931 | 1,143,477 | 3,429,148 |
| 1932 | 1,024,764 | 2,358,671 |

(e) Other forest products:

| | | $ |
|---|---|---|
| 1922 | | 7,147,582 |
| 1923 | | 9,395,590 |
| 1924 | (Entered | 11,349,027 |
| 1925 | | 11,374,987 |
| 1926 | at | 12,750,305 |
| 1927 | | 11,135,253 |
| 1928 | value | 8,649,650 |
| 1929 | | 7,938,696 |
| 1930 | only) | 5,120,914 |
| 1931 | | 2,923,732 |
| 1932 | | 2,492,487 |

PURCHASES OF GOLD

Mr. BLAIR:

1. How much gold did the Dominion of Canada buy last year?
2. What did they pay per ounce?
3. How much of this gold was mined in Ontario?

Sir GEORGE PERLEY:

1. 1,983,031 $^{386}/_{1000}$ ounces fine.
2. Average net price per ounce fine, including premium, $22.61.
3. 1,642,725 $^{305}/_{1000}$ ounces fine.

CANADIAN CAR AND FOUNDRY COMPANY, LIMITED

Mr. MERCIER (St. Henri):

1. Did the Canadian Car and Foundry Company, Limited, of Montreal, apply to the government or the Minister of Railways and Canals for the purpose of securing a contract for the construction of two thousand freight cars to be used by the Canadian National Railways?
2. If so, what was the answer of the government or of the Minister of Railways and Canals?

Mr. MANION:

1. Yes, application was made to the Minister of Railways and Canals.
2. The matter was promised consideration.

EXPORT RATE ON GRAIN

Mr. COOTE:

1. What is the existing freight rate on grain for export from Georgian bay ports to Saint John or Halifax?
2. What is the approximate mileage from Georgian bay ports to: (a) Saint John; (b) Halifax?
3. What is the existing export rate on grain from Calgary to Vancouver?
4. What is the mileage from Calgary to Vancouver?

Mr. MANION:

1. 15·17 cents per 100 pounds.
2. (a) 836 miles; (b) 1,208 miles.
3. 20 cents per 100 pounds.
4. 642 miles.

[Mr. Stevens.]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

SALE OF RIFLES

Mr. RALSTON:

1. Have any rifles been sold or otherwise disposed of as to individuals or parties outside the service of the government of Canada since January 1, 1931?
2. If so, to whom, in what quantities, on what terms and when?

Mr. CAHAN: This return is tabled forthwith.

INTEREST PAYMENTS

Mr. SPENCER:

1. What was the amount of interest paid by each of the governments in 1932: (a) amount paid by the federal government; (b) amount paid by all provincial governments; (c) amount paid by all municipal governments both urban and rural?
2. To what extent did any of the above default in their interest payments during 1932?

Mr. BENNETT: Mr. Speaker, the hon. gentleman must realize that this government is not in position to give accurate information in connection with all these questions. The information will have to be obtained from many sources and its accuracy cannot be guaranteed. I am referring to that information which must be obtained outside of the governmental departments. It will take considerable time to obtain the information asked for in the second question as we shall first have to obtain from the different provinces just what the situation is. This question should stand as an order for return.

RELIEF FOR DISTRICT 18, ALBERTA

Mr. GARLAND (Bow River):

1. What steps have been taken by the government to relieve distress in the coal mining area known as district 18, principally in the province of Alberta?
2. In this regard, has any order in council similar to P.C. 2534, November 25, 1932, authorizing the issuance of a cheque in favour of the province of Alberta to facilitate the movement of coal from Alberta to Ontario points, been passed?
3. If so, when was such order in council passed?

## UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. Mr. J. L. DUGUAY (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of Labour (Mr. Gordon). I am informed that in certain municipalities in my county instructions have been given to reduce the rates of direct relief, and it is reported also that these instructions were

issued by the federal government. Will the minister inform the house upon whose authority the rates for direct relief are fixed and if the federal government has issued instructions that these rates shall be reduced in the province of Quebec?

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, the hon. member was good enough to direct my attention to the questions he proposed to ask. In reply to the first two questions I would say that in the case of his district or any other district in the province of Quebec or elsewhere in Canada no instructions have been issued by the federal government to reduce the amount of direct relief to be granted to those in need. The only conditions which this government has at any time laid down with respect to direct relief have been to define direct relief as consisting of food, fuel, clothing and shelter or the equivalent thereof, and that there shall be no discrimination in the granting of relief to any applicant by reason of political, racial, religious or other considerations. No limit has ever been set by this government to the amount of relief which shall be granted to any applicant, this being constitutionally a matter wholly within the determination and judgment of the local authorities. It will also be obvious to members of the house that, even aside from the constitutional aspect, such matters are properly for the local authorities to determine.

Answering my hon. friend's third question, "On whose authority rates for direct relief are fixed?" I would say that municipalities must determine, first, whether relief shall be granted and, second, to whom and in what amount it shall be granted. I also presume that such decisions on the part of municipalities receive provincial approval. As a matter of fact I am informed and understand that in Quebec the provincial government determines the amount which may be expended in each municipality on direct relief.

Answering the hon. member's last question, "Has the federal government issued instructions in the province of Quebec to reduce the amount of relief?" The answer is no. This government has been most careful never to invade in any manner the jurisdiction of either the provincial or municipal authorities either in our relief legislation or in the administration thereof.

## APPLE SHIPMENTS TO GREAT BRITAIN

On the orders of the day:

Mr. J. L. ILSLEY (Hants-Kings): I should like to ask a question of the Minister of Agriculture. In view of newspaper statements in Nova Scotia to the effect that the British Ministry of Agriculture has no alarm about the pest known as the apple maggot, and in view of the fact that these statements may have created a wrong impression calculated to lead to efforts being relaxed in the extermination of this pest, will the minister state whether all danger of an embargo on the entry of Canadian apples into Great Britain is past?

Hon. ROBERT WEIR (Minister of Agriculture): The hon. member for Hants-Kings gave notice that he was going to ask this question. It is very important that attention should be called to this matter. The apple maggot is quite common in a number of provinces in Canada. When the Minister of Agriculture and Fisheries of the United Kingdom instructed Mr. Fryer to investigate the possibility of the Colorado beetle being imported into the old country if importation of potatoes were allowed, he also instructed him to go very carefully into the danger of the importation of the apple maggot in infested apples.

So far as the shipping of the 1932 crop of apples is concerned, due to the very close supervision of the fruit inspectors with the cooperation of the shippers in the apple-growing provinces, only one shipment consisting of about twelve barrels of infested apples has gone into the United Kingdom. It was learned that a number of barrels of infested apples were on the boat and every effort was made to catch those and have them removed before the boat left, but in the cargo there were some twelve barrels that were shipped to the old country.

The fact that in a letter that I put on Hansard on February 10 last, the Minister of Agriculture and Fisheries referred even to this small shipment, shows the great danger of an embargo being placed upon our apples if infested apples are shipped in any quantity to the United Kingdom. I do not think I can do better in this connection than read again the last paragraph of the letter of the Minister of Agriculture and Fisheries of the old land:

> Mr. Fryer has also reported to me the measures which you contemplate in order to prevent the export to this country of apples infested with the apple fruit fly. Much to our pleasure, it has not so far been necessary for us to place any restrictions on apples imported from the dominion. The discovery of an infested consignment last October—

That is the one to which reference has been made.

> —was, we hope, only an isolated case; and after considering Mr. Fryer's account of the steps you are taking, I have decided that it

will not be necessary to impose any restrictions during the 1933 season unless the sampling of consignments on arrival in this country reveals the presence of the pest.

I cannot emphasize too strongly the importance that every precaution should be taken in dealing with the situation so that there will be no danger of an embargo.

## HOG CHOLERA

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): May I direct a question to the Minister of Agriculture? Is there an outbreak of hog cholera in western Ontario, and if so, in what sections is it occurring and what steps is the government taking to combat it?

Hon. ROBERT WEIR (Minister of Agriculture): I am not informed that there is such an outbreak. I shall be glad to make inquiries and give the hon. member a reply later.

## TRADE RELATIONS WITH RUSSIA

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): The other day an order of the house was passed for the tabling of all correspondence between one Serkau, and any members or officials of the government. Might I ask the government if they have any idea when we may expect that this return will be tabled?

Hon. ROBERT WEIR (Minister of Agriculture): As regards any direct correspondence that has taken place between Mr. Serkau and myself, it is ready to be placed on the table at any time, but I believe a great number of resolutions, telegrams and letters have been received by various ministers and it will take some time before they can be collected.

Mr. VALLANCE: On that point may I assure the minister that so far as the telegrams are concerned, we are not very anxious about them.

## CANADA SHIPPING ACT

On the orders of the day:

Mr. ANGUS MacINNIS (South Vancouver): May I ask the Minister of Marine if he intends to proceed this session with a bill to amend the Canada Shipping Act?

Hon. ALFRED DURANLEAU (Minister of Marine): The answer is, yes, and the bill will go to the printer within a few days.

Mr. NEILL: Will the bill be referred to a committee?

Mr. DURANLEAU: Yes.

[Mr. R. Weir.]

## WENTWORTH MILK PRODUCERS

On the orders of the day:

Mr. G. C. WILSON (Wentworth): In view of the importance of the petition presented to the house by the milk producers of the county of Wentworth, is the government in a position to state what action will be taken regarding the same?

Right Hon. R. B. BENNETT (Prime Minister): My attention was directed to the petition to which the hon. gentleman refers. My view is that the matters therein mentioned should be taken up by the committee on agriculture and that they should call witnesses, hear evidence and arrive at conclusions based on that evidence, for I know of no method by which the ends sought can be as readily attained as by evidence being adduced before that committee and the matter being dealt with by them. I understand under the rules it is not necessary to make a reference, but any member of the committee may bring a matter before it and have it dealt with expeditiously and thoroughly. Every facility will be offered, so far as the government is concerned, to enable that end to be attained.

## ANYOX DISTURBANCE

On the orders of the day:

Mr. OLOF HANSON (Skeena): I should like to direct a question to the Minister of Labour. What information has he in regard to the strike at Anyox, British Columbia. Have the men gone back to work and, if so, how many?

Hon. W. A. GORDON (Minister of Labour): The hon. member for Skeena was good enough to intimate to me his intention of asking this question. On February 1, 1933, employees in the mine, smelter, coke ovens and shops ceased work, demanding increases in wages and reductions in rates for board and rent. From 800 to 1,000 workers are reported to be involved, from 400 to 500 having joined the Mine Workers' Union of Canada, affiliated with the Workers' Unity League.

It is not clear whether the other employees are on strike or merely deterred by pickets from working. A report from the union states that wages were as low as $2.75 a day, and an increase of fifty cents per day was desired; that board was $1.10 per day and rent for a shack six by ten feet $6 per month. A decrease of twenty per cent in board and rent was demanded. Recognition of the union was also demanded.

It is reported in the press that a clash between the provincial police and the strikers

occurred on February 4, and that several were injured and in hospital, while eight had been arrested.

The plant was closed down on February 4, and the company is reported to have stated that it had been operated at a loss for some time and would be closed permanently if the strike continued for any length of time. Hon. members will understand that this is a base metal mine, and of course the product from the mine is selling at a very low price at the present time, so much so that I have no doubt that not only this base metal mine but probably all others with very few exceptions on this continent are having a most difficult struggle to keep their plants operating.

On February 9 a dispatch from Victoria stated that 310 of the strikers had voted to return to work and that the company expected the dispute would terminate within a few days.

The men have not made any application to the department to intercede, so far as I am aware, unless it has come in to-day. If such an application is made the department will, of course, exercise what authority it has and do anything possible in order to bring about a satisfactory solution of the alleged trouble.

## SECOND NARROWS BRIDGE

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): On behalf of the people of North Vancouver and Greater Vancouver who are very anxious to have repairs made to the second narrows bridge and cannot understand why there has been so much delay, I would ask the Prime Minister if he can give us any idea when the repairs will be started.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it must be within the knowledge of the hon. gentleman that when this parliament was asked to reenact certain legislation and amend the then existing legislation with respect to the second narrows bridge, which, if I remember aright, had been destroyed in part and with respect to which destruction it was held that there was liability against the company, we were told by those who had the matter in hand, the undertaking being owned by corporations and municipalities, that nothing further was required. This government was told that distinctly and positively. Later it was sought to obtain assistance from the government for the construction of the bridge because the methods to which resort was had, had failed. Then the government discovered that a receiver had been appointed and that a contract was outstanding, and it was asked that the government should take over the contract; that is, afford the means for providing for the payment of the obligations under the contract.

The bridge involves the construction of a substructure and a superstructure. The construction of the substructure being under water, with a swift current flowing, is a matter of very great importance, and in order that the foundation might be properly determined it was necessary that divers should inspect the bottom of the stream and that borings should be made. As a result of all the representations that were made, the government took steps to enable the Vancouver harbour commissioners to take over the undertaking, but when the undertaking was taken over it was found that there were outstanding contracts which had not been let by tender, and that the bridge was to be constructed by arrangement between one producer of material and bridge-builder and the corporation. The contract, it is true, is approved by the court, but in consequence of representations that were made to the government from Vancouver itself that it was undesirable in the public interest that an undertaking of this character should be built without tenders being called, the government then instructed the harbour commissioners to ascertain what could be done in the way of having tenders called. It was then represented that it would take a very long time to prepare the plans for the superstructure as well as to determine with exactitude what would have to be done with respect to the substructure.

Be that as it may, the government determined that no opportunity should be given to those who were seeking so strongly to obtain their assistance, later to charge that the government had been a party to the letting of contracts without tenders, and accordingly instructions were given that steps be taken to prepare proper plans and specifications for the purpose of enabling tenders to be called for the construction of both the superstructure and the substructure. That we are told involves delay, but the delay is not the delay of this government. It is the delay of those who had control of the enterprise from the start, but who did not desire any assistance from us until later, and then when assistance was sought we were confronted with contracts which involved the expenditure of moneys to be found by this government for the purpose of constructing without tenders a work that would cost a large sum of money.

At the moment negotiations are pending, I am informed, between the constituted

authority of the harbour and the bridge company for the acquisition of the plans prepared by the bridge company, and not by the public authority, to enable tenders to be called. Yesterday a telegram came indicating that possibly with the aid of another consulting engineer the plans might be much more rapidly prepared than was at first thought.

I may add that Mr. Monsarrat, one of the most eminent engineers in Canada, has been out upon the ground and has gone over the undertaking with great care and made a report, and intimated that if the present plans prepared by a private company are to be used for the purpose of constructing the bridge, much money will have to be paid for them and there might be difficulties in connection with other companies tendering on plans prepared by a rival or competing company.

I know of few matters which I have had occasion to investigate in which you find so many cross-currents of interest and of influence, and in the end we determined that there should be no opportunity given to say that the public moneys under the control of the harbour authority had been expended otherwise than through tenders being awarded to those who were able to build the work for the least money having regard to their fitness to undertake it.

## CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): The right hon. leader of the opposition a few days ago asked me when the annual report of the Canadian National Railways would be tabled, and I promised to make inquiry and give him an answer.

The management inform me that on no occasion except once within the last six or seven years has the report been tabled before the first of April, and that due to the immensity of the system and the necessity for the auditors completing their audit of the vast number of expenditures and accounts, they are afraid that the report cannot be tabled at the earliest until perhaps the middle of March.

## NEW ZEALAND BUTTER

On the orders of the day:

Mr. S. W. JACOBS (Cartier): I see by the press of last night that discussions are now taking place between this government and the government of New Zealand with regard to shipments of butter to this country. Could the minister of Trade and Commerce give us some information? It is stated that representations have been made by this government to the government of New Zealand looking towards the restriction of further shipments to Canada. I thought this matter of the shipment of butter to Canada was successfully settled when our friends opposite got into power.



Some hon. MEMBERS: Order.

Mr. BENNETT: The hon. member is out of order. Probably his real purpose in rising was to make the last statement.

Mr. JACOBS: No, it was not. The fact is so well known that it is not necessary for me to rise to state it. It is a hard, hard fact. I should like to ask the minister, however, if he is in a position to give the house some information with regard to the representations made by this government to the government of New Zealand requesting the restriction of further shipments to this country.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, there is nothing that at the moment the government cares to say on the subject.

## EXPORT ACT AMENDMENT

PROPOSED REPEAL OF PROHIBITION OF LIQUOR EXPORT, ENACTED IN 1930

Mr. S. C. ROBINSON (West Essex) moved the second reading of Bill No. 14, to amend the Export Act.

He said: Mr. Speaker, in moving the second reading of the amendment to the Export Act passed in 1930 it is not my intention to go over the ground I covered on March 24, 1930, and on May 18, 1931. At the time the amendment was passed in 1930 I think hon. members on this and on the other side of the house were of the opinion that we were going to get something in return from the United States for our friendly gesture. As everyone knows we have received nothing. First there was the Hawley-Smoot tariff which was so disastrous to the farmers of this country. Secondly there were amendments to the Immigration Act which affected the commuters, and especially those living at border points. In 1927 over 15,000 people, working in Detriot and suburbs, were living in the border cities. A great many of them were Americans. Since that time the number has been reduced to between 1,000 and 1,500. Not only that, but Canadians working in Detroit or Americans residing in Windsor

were forced to move to Detroit to carry on their work in that city.

Restrictions are not the same on this side of the line. Americans are free to come and go as they please, and they hold high positions in the larger industries of the border cities. A great many Americans with whom I have talked have stated that in cutting off the export of good liquor and forcing the American people to buy moonshine and other concoctions Canada has been guilty of an unfriendly act towards her neighbour. There was never a better opportunity than that presented in 1930, at the time the restrictions were enforced, to make an arrangement with the United States whereby commuters on both sides of the line would be free to come and go as they pleased, as they had done until recent years.

The situation concerning exports of liquor differs greatly from that which obtained two years ago. The first cause of the change may be traced to the depressed conditions, and the second to the result of the United States election which took place on November 8, 1932. While some years ago the state of Michigan passed a prohibition act by an overwhelming majority, in the election held last fall prohibition legislation was defeated by a three to one vote. There can be no argument that Canada needs revenue. Probably I would do well at this time to place on Hansard figures showing our exports of whisky, spirits and beer for the year ending March 31, 1930, the last figures obtainable from the bureau of statistics, and the loss in revenue suffered by Canada as a result of the amendment to the Export Act:

[Mr. Robinson.]

Estimated Annual Loss to National Revenue and to Distilling, Brewing, and Other Industries as a Result of Amendment to Export Act, Prohibiting Exports of Intoxicating Liquors to United States

(Based on exports of liquor and beer (Duty Paid) from Canada to United States for year ended March 31, 1930. Figures as to quantities exported during that period obtained from statistics published by Dominion Bureau of Statistics)

Exports of Liquors and Beers (Duty Paid) from Canada to United States for Year Ended March 31, 1930

| | | Equivalent (at average) strength, 17 under proof, to | | | Amount Collected in Excise, Customs and Sales Taxes |
|---|---|---|---|---|---|
| Whisky, Gin and Other Spirits | (Canadian Produce).....1,076,189 imp. gals. | 893,236 pf. gals. | Excise Duty—$7.00 per pf. gal.. | $ 6,252,652 | |
| | Sales Tax on average selling price, say $20.00 per case, 538,094 cases..... | | | 645,712 | |
| | | | | | $ 6,898,364 |
| | | Equivalent at average strength, 23 under proof, to | | | |
| Ale, Beer and Porter | (Foreign Produce).....163,414 imp. gals. | 125,828 pf. gals. | Average Customs Duty—$8.50 per pf. gal..... | $ 1,069,538 | |
| | Sales tax on average selling price, say $20.00 per case, 81,707 cases..... | | | 98,048 | |
| | | | | | 1,167,586 |
| | (Canadian Produce).....1,449,122 imp. gals. | | Excise Duty—12½c. per gal..... | $ 181,140 | |
| | Sales tax on average selling price, say $2.00 per case, 724,561 cases..... | | | 86,947 | |
| | | | | | 268,087 |
| | (Foreign Produce).....2,117 imp. gals. | | Customs Duty—42c. per gal..... | $ 889 | |
| | Sales tax on average selling price, say $3.00 per case, 1,000 cases..... | | | 180 | |
| | | | | | 1,069 |
| | | | | | $ 8,335.106 |

The cessation of the exports outlined in the above table represents the following losses to the Canadian distilling, brewing and other industries:

| | | | | | |
|---|---|---|---|---|---|
| Distilling Industry | 1,076,189 gals. | = | 538,094 cases at $20.00..... | $ 10,761,880 | |
| | | | Less Excise Duty..... | 6,252,652 | |
| | | | | | $ 4,509,228 |
| Brewing Industry | 1,449,122 gals. | = | 724,561 cases at $2.00..... | $ 1,449,122 | |
| | | | Less Excise Duty..... | 86,947 | |
| | | | | | 1,362,175 |
| Glass Industry | 1,262,655 doz. bottles at 50c..... | | | | 631,327 |
| Boxes and Containers..... | | | | | 200,000 |
| Labels, Wrappers, etc..... | | | | | 175,000 |
| Grain..... | | | | | 400,000 |
| Railway Freight..... | | | | | 225,000 |
| | | | Total..... | | $ 7,502,730 |

I should like the farmer members to note the amount lost in connection with grain. Then, I am informed regarding railway freights that the amount collected at Windsor and other border cities in 1928 from both railroads amounted to about $300,000. Of course at the present time that revenue is all lost. In addition to the loss of revenue there would be the loss of income tax, from those in the business, which was very large. I have already mentioned the loss of freight.

It may seem strange to some hon. members that the United States can export liquors to Canada although we cannot export to the United States. I have the figures here from the bureau of statistics for the year 1930-31. I think you will find them interesting. They are as follows:

Exports of Distilled Liquors from the United States to British Countries
(Calendar Years 1930 and 1931)

| Exports to— | 1930 | | 1931 | |
|---|---|---|---|---|
| | Proof Gallons | $ | Proof Gallons | $ |
| United Kingdom | .... | .... | 300 | 1,100 |
| Canada | 2,028 | 1,230 | 3,008 | 1,175 |
| Newfoundland | 2,800 | 1,232 | 1,500 | 596 |
| British Malaya | 1,280 | 562 | 4,001 | 1,440 |
| | 6,108 | 3,024 | 8,809 | 4,311 |

I draw the attention of the house to these figures to show how unreasonable it is for the United States to expect us to prohibit exports to their country when they are free to export to Canada.

The worst feature since this act went into force is that of the smuggling of alcohol into Canada which has increased by leaps and bounds. No service knows better what that amounts to than the Royal Canadian Mounted Police. I have here an extract from a report of Sir Henry Drayton, chairman of the liquor control board of the province of Ontario, for the year ending October 31, 1931. It says:

The smuggling of spurious liquor into Ontario, from the prohibited areas of the United States. at the first impression appears well nigh incredible. The reports, however, of commissions and inquiries, governmentally constituted in the United States, establish, without doubt, that spurious liquor and alcohol are largely trafficked in that country. Further, spurious liquors can be manufactured very cheaply. The usual base is alcohol; sometimes pure, sometimes absolutely poisonous. The added water, colouring matter and flavouring cost but little. Sixty-five per cent over-proof alcohol can be readily produced for forty-five cents a gallon, but the dominion excise tax alone amounts to $14.85 a gallon. American alcohol pays no taxes and has been sold in Ontario as low as $3 a gallon.

As I said before, I am not going over any of the material I used in 1930 and 1931 but I am going to read some editorials or parts of editorials from the leading journals of this country that will indicate the state of public opinion.

The Toronto Telegram of November 19, 1932, said:

Most Canadians felt that Premier King had gone beyond the requirements of international courtesy in complying with the request to place a ban on the export of intoxicants. Canada had no wish to interfere in the policy of the United States on the wet-dry question but it was felt that the Prime Minister of that day was asking too much when he called upon the taxpayers of Canada to spend $15,000,000 in helping to enforce the laws of another country. Liquor export, after all, was a legitimate enterprise so far as this country was concerned.

Here is one from the Monetary Times, Toronto, of February 12, 1932:

In the year ending March 31, 1931, we sent some 2,000,000 gallons of whiskey to the islands of St. Pierre and Miquelon, practically all of which was reshipped to the United States. We lost the excise tax of $9 per gallon and then had the trouble of seeing that the goods actually went to their destination. It was a beautiful gesture on the part of our previous government, but it was of little value; for the thirsty American is still slaking his parched tongue and doing it more cheaply than before. From a sentimental standpoint it was supposed to earn us the undying gratitude of all our cousins to the south, but we find that many of our neighbours in the northern states are wet anyway while those in the dry regions are too far away to be affected.

May we repeat that the morals of the liquor business have nothing to do with the case. Any visitor to an American city can see, if he wishes, that the Volstead Act is as often honoured in the breach as otherwise. Spirituous liquors are being drunk and we are losing the revenue with no compensating benefit. The national strong-box in its present condition would be greatly helped by it.

Here is another, from the Financial Times of Montreal, dated November 18, 1932:

Though passed by an overwhelming house majority in 1930, the liquor export ban was never demanded by any substantial nation-wide body of opinion. In Ontario there was an outcry against the short-circuiting of supposed liquor exports but the provincial government effectively squashed that end of the bootlegging trade. In the face of these considerations, it

may be asked: why was the law passed? The answer is that the law was one of those moves which few politicians actively support but which few dare openly oppose.

This is from the Montreal Gazette of December 10, 1932:

In pursuance of its policy of good will to the United States, at whatever cost to the Canadian people, the King government, in 1930, induced parliament to amend the Export Act to prohibit the granting of clearances to vessels carrying Canadian liquor to countries wherein the sale of such liquor was illegal. The amendment, though general in its terms, was designed admittedly to help the United States whose efforts at enforcing the prohibition law had failed. Parliament passed the amendment against its better judgment, the then opposition being unwilling to give the government the political advantage which, it was thought, might result from a division. It was an interesting exhibition of legislation based upon expediency rather than upon conviction.

The Border Cities Star of December 9, 1932, has this to say:

Public opinion on this subject has undergone a radical change. Public opinion favoured stopping export. But the public understood that Canada was going to get some worthwhile concession from the United States in return for this important favour. Canada got nothing. Consequently there is no longer much disposition here to assist the United States in the enforcement of its dry laws—particularly in view of the fact that the American voters have vigorously repudiated these laws themselves.

Here is one from the Ottawa Journal of February 2, 1933, headed:

May as Well Use the Front Door

Because, actually, all that the 1930 legislation did was to send our liquor to the United States by a more circuitous route. By the back door instead of the front door.

Last year our liquor exports to St. Pierre and Miquelon, which have a few hundred inhabitants, were 1,616,177 gallons. The liquor went to the United States.

We shipped 134,000 gallons to Bermuda; 106,000 gallons to British Honduras; 117,000 gallons to the West Indies. Most of this was for the United States.

We shipped 252,000 gallons to French Oceania, in the Pacific; and most of this went to the United States. French Oceania never bought a gallon of liquor from us until after the 1930 legislation.

In the circumstances, the 1930 law, under which we are supposed to protect good (but sometimes thirsty) Americans from our own sumptuary habits, seems to be little more than a nice bit of make-believe, or hypocrisy. And the worst of it is, it is costing us a lot of money.

Now I quote from the Border Cities Star of November 10, 1932:

Everyone seemed to take it for granted, at the time, that Mr. King had a formal agreement or at least a gentleman's understanding with the government at Washington by which this country would receive a substantial concession from the United States in return for the favour we were doing Uncle Sam by cutting off the business of Canadian liquor exporters. No announcement along these lines was made, but most persons concluded that the lack of announcement was merely a matter of diplomatic policy, Washington, for domestic political purposes, not caring to reveal that concessions had been made to Canada. However, as we mentioned before, time passed and the cold truth finally came home to us all—the government had given everything and received nothing. We had something substantial to "trade" and we muffed the opportunity.

Mr. MACKENZIE KING: May I ask from what my hon. friend is reading?

Mr. ROBINSON: I am reading from an editorial appearing in the Border Cities Star of November 10, 1932.

Then and there, of course, enthusiasm for the ban on export started to wither and decay. And the withering and decaying process was intensified as politicians and officials in Washington continued to jack up the American tariff against our country and to devise further ways and means for keeping Canadians from crossing the boundary line in quest of employment or even, in some cases, for purely social purposes. Our people came to the bitter conclusion that they had been "let down" by their own leaders, that Mr. King and his associates had simply "missed the boat" in dealing with the boys at Washington.

A plebiscite on the question to-day would give Colonel Robinson a resounding majority for his proposal to end the export ban. No one familiar with public sentiment can doubt this. In addition, as we have said, the United States has "gone off the dry standard," thus destroying even anything in the shape of a moral argument, real or fancied, against the export of alcoholic beverages from Canada to that country.

Now I quote from the St. Thomas Times-Journal of November 16, 1932:

What has been the result? There has been no let-up in liquor violations in the United States. Liquor, good and bad, but mostly bad, flows more freely than ever in the "land of the free." And the reciprocal concessions, where are they? Nowhere. In place of them the United States has built higher tariff walls against our goods; tightened up its immigration laws to keep out Canadian labour and to prevent Canadians taking up residence there. Canada's gesture—well-meaning though it may have been—cost the dominion $15,000,000 a year in revenue, without our getting a single thing in return.

I quote now from the Montreal Gazette of February 1, 1933:

Since the November election in the United States, with its overwhelming repudiation of the eighteenth amendment and the Volstead law, the Canadian liquor embargo cannot be defended upon the pretence of cooperating to uphold the policy of a friendly country. Since the United States is no longer in favour of prohibition— if, indeed, it ever was—there can be no reason in the world for withholding one of the few export commodities which finds a ready market in that country. Moreover, the

Ottawa treasury stands in the utmost need of any and every increase in revenue that can be legitimately provided. As the Prime Minister has stated, and as every thoughtful citizen knows, Canada is dangerously near the limit of its capacity to pay taxes. By legalizing the export of liquor, however, a former source of income can be reopened without hardship to the public and to the advantage of an important industry. In these circumstances the embargo should be removed, and the sooner the better.

I hold in my hand a map of the city of Washington, which appeared in the Border Cities Star of February 18, 1932. Shown on this map are dots representing speakeasies which have been raided by the police, totalling 1,155 and of these three were located on government property close to the capitol.

I believe this is all I have to say at this time, Mr. Speaker. In my mind, and in the minds of those who have the interests of the country at heart, the repeal of this act will benefit this country in many ways. It will help labour; it will result in the purchase of supplies and material, and will aid the distilling and brewing industries. I hope this measure will receive the favourable consideration of the house.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): So far as I have heard, Mr. Speaker, the hon. member who has just taken his seat (Mr. Robinson), and who is the mover of this resolution, has not given a single reason why the legislation passed in 1930 should be repealed at the present time, if I confine that remark to arguments that really bear upon the essential features of the measure and the reason for its adoption in 1930.

My hon. friend spoke at some length about some quid pro quo which we should have received from the United States because of the passage of this measure. I never heard or thought of any such quid pro quo at the time or at any time. I do not think the bill was passed with any expectation that it would lead to other measures on the part of the United States. The bill was passed in the interests of Canada itself, in order to maintain respect for our own laws and to fulfil our treaty obligations. While no doubt the legislation was of assistance to the United States, it was not a measure that had relation primarily to the United States; its primary relation was to Canada, to fulfilling our own obligations, maintaining the integrity of our own public services, and seeing to it that our own citizens, and particularly our own officials, did not become allied with smugglers and criminal gangsters in their efforts to violate the laws of another country.

This is 1933; it is three years since the bill which it is now sought to repeal passed the house, and I might remind hon. members that when the measure was adopted it passed both the house and the Senate without division, as I recall it. I do not know what circumstances have arisen in the interval which should cause the parliament of Canada to change its mind with regard to the purpose it was hoped would be fulfilled by the enactment of this legislation.

Mr. BENNETT: The right hon. gentleman is wrong; there was a division on the third reading.

Mr. MACKENZIE KING: I am glad to be corrected if that is so. The vote against the measure was so small that I had forgotten it. Perhaps, I cannot do better than state to the house, in the terms of the explanatory note which accompanies the bill, the objects which according to that statement are sought to be effected. The explanation reads:

The object of this bill is, by repealing the above section, to restore to the revenues of Canada the large amount of revenue lost by its enactment, and to open the way by international treaty or convention for reciprocal duties and obligations on the part of the two governments concerned. It is also an effort to help the serious unemployment situation in Canada, and to assist in the prevention of smuggling.

There are four alleged reasons given, and I shall deal with each in turn, taking the last first. It is stated that the enactment of this bill is to assist in the prevention of smuggling. My hon. friend seeks to repeal a section of an act which was passed for the purpose of assisting in the suppression of smuggling by a bill which he says is to assist in the suppression of smuggling. I fail to see how he can claim that the suppression of smuggling will be one of the effects of his measure. I regard his bill rather as a measure to assist smuggling.

I should like to point out how the law as it formerly stood aided smuggling and how smuggling will be again aided if the amendment passed in 1930 is repealed. Not only was smuggling aided, but it was aided at the instance of the government of Canada and with the direct assistance of government officials. I should like my hon. friend to realize that from my point of view that is the most serious objection to be made to his measure, apart from its violation of the principle on which the original measure is based. If the amendment of 1930 is repealed we will again have the government of Canada,

through its officials, knowingly and openly aiding and abetting smuggling in the violation of the laws of a neighbouring and friendly country. What was the procedure before and what will it be again if the amendment proposed by my hon. friend is adopted?

In the first place, in order to take out liquor from a warehouse or distillery for export it had to be entered for purposes of duty. If the liquor was going to a foreign country which did not prohibit the importation of liquor, no duty was paid but a bond amounting to twice the amount of the excise was exacted. When the Department of National Revenue received a certificate to the effect that the liquor had been successfully landed in that country, the bond was cancelled. In the case of the United States, which prohibited the importation of liquor, that process, namely the taking of a bond prior to export could not be followed by the department, so the department adopted the plan of requiring those who desired to ship liquor to the United States to pay on liquor so exported an amount equivalent to the excise duty.

My hon. friend says that his measure is intended for purposes of revenue, and I should like to show how this revenue would be collected. The duty would be paid at the time the liquor was taken out of the warehouse or distillery and whoever was shipping the liquor would have to state that it was going to the United States. The liquor would be entered in the books of the government of Canada as going to the United States, a country known to prohibit the importation of liquor and the customs officials would be obliged to make that entry knowing that they were assisting those who were desirous of smuggling and violating the laws of another country. That is the first step.

After the liquor had been entered in that manner, government assistance would be still necessary to get the liquor from the warehouse, brewery or distillery to the dock from which it was to clear for the United States. This step would be impossible without some cooperation upon the part of the officials of the Department of National Revenue. This cooperation would consist of giving a permit for the transportation of the liquor from the warehouse to the port from which it was to be cleared for the United States, and the permit would bear upon its face the statement that the liquor was going to the United States. Everyone having to do with the handling of that liquor, whether customs officials, train employees or others would know that that liquor was to be smuggled into the United States, they would all become parties to the smuggling. After the liquor, by virtue of this permit which had been granted by government officials or by the government of Canada—for after all it is the government; the government is responsible for the acts of its officials—had been transported from the distillery to the end of steel, it would have to be put on board a vessel for the United States. Before this vessel could be cleared for the United States another customs official would have to go on board to make sure, by examining the permit, that the liquor on board that vessel was the liquor that came from the distillery, that it had paid the excise duty and was going to the United States.

Mr. ROBINSON: That is not required for vessels of five tons and under.

Mr. MACKENZIE KING: I think my hon. friend will find that the vessels which would be engaged in rum running would require clearances.

A clearance would have to be obtained and I would point out that that clearance would have to be given by a government official. The clearance would state that the vessel had on board liquor destined for the United States notwithstanding it was known that liquor could not be lawfully imported into the United States. When a vessel known to everyone to be in the hands of rum runners was thus cleared, it would be cleared by virtue of the authority of the government of Canada.

This is something which any country which has regard for its own laws and the integrity and probity of its own officials cannot afford to countenance for one moment. The feeling I had when I presented the amendment to the act was that this procedure not only was demoralizing as regards encouraging the practice of rum running, but that it was particularly demoralizing to the whole customs service of Canada. Our customs service is intended to safeguard the revenues of the country and to prevent anything in the nature of smuggling. We cannot expect it to be an honest service if its officials are expected knowingly to assist smuggling operations.

Another extraordinary thing in connection with this whole business was the fact that at the time the excise duty was paid on liqour to be smuggled into the United States, not only were the officials of the federal government at Ottawa made aware of that fact but also the officials of the provincial government at Toronto. The control of the sale of liquor is a state monopoly in the province of Ontario, and it was alleged that the giving of such information to the provincial authorities would

effectively safeguard against the liquor being taken off the trains and short circuited back into Ontario before being sent across the border. In other words, the officials of the Ontario liquor control department were expected to assume the attitude that by making sure that the laws of the United States were violated they would thereby be ensuring that the laws of the province of Ontario were not violated. I submit that as members of parliament we are here as law makers, and not as law breakers, or to assist in the breaking of the laws of our own or any other country. So far as the government officials are concerned, they are in a very difficult position; no matter what the conscience of an official may be, he is supposedly bound to carry out the instructions given to him by his superior officer. The only defence which it is possible for officials to make in performing duties of this kind in the light of the knowledge they have of existing conditions is that their business is simply to collect or to protect the revenue and nothing more. But, as I say, when they know that the effect of their action goes very much further than the collection of revenue; that it is a matter not merely of collecting revenue but of getting such revenue as can be secured, by becoming accomplices of rum runners and gangsters, a government that is responsible for placing on its officials an obligation of that kind, is assuming a very grave responsibility. That is the first objection I take to the bill of my hon. friend from West Essex. It is in the nature, not of a measure to help in the suppression of rum running, but rather of a measure to assist, and encourage rum running and the violation of the laws of another country. It makes of government officials a link between those who wish to make money by violating the laws of another country, and the bootleggers, rum runners and criminal gangsters who operate from a like aim.

The hon. member supported his bill by saying that this legislation will help to give revenue, and also that it will help to give employment. If we are reduced in this country to the position where the state can get its revenues and provide employment only by becoming partners in the rum running business, matters have come to a very strange pass. The less my hon. friend says about our attempting to get revenue in that way, and the less he tries to defend such action in the parliament of this country, the wiser he will be. I submit that anything of the kind is encouraging lawlessness generally; it is putting a premium on the direct violation of a country's laws. The hon. member must surely have forgotten the condition we had along the southwest-Ontario frontier three years ago as a result of the bootlegging and rum running business, and the extent to which it was being carried on there. That part of our country was becoming a base for criminal operations, and criminal operations not confined to the business merely of rum running. We were getting into Canada professional gangsters in very considerable numbers, whose activities were finding expression in a number of directions. Having gotten successfully away from that state of affairs, we had better not seek to return to it by any measure that will have any such effect. If my hon. friend's bill were to be adopted and this parliament were to repeal the enactment of 1930, the effect would be that on the day after the repeal we should witness in and about the vicinity of the community in which my hon. friend lives, the reassembling of those classes of persons in large numbers, and heaven alone knows, with conditions what they are at present in different parts of this continent, what might result from such an association.

Let me mention the other factor that is set forth as a reason for passing this amendment:

> To open a way by international treaty or convention for reciprocal duties and obligations on the part of the two governments concerned

I am afraid my hon. friend is not aware of the treaties that already bind us in the matter of assistance in the suppression of smuggling. This is not opening a way; it is destroying a way already provided. It is violating absolutely more than one treaty obligation. If this amendment should become law, we would be violating treaty obligations of the most important character.

Mr. ERNST: What obligations?

Mr. MACKENZIE KING: The first was a convention drawn up in 1924 between the United States and Great Britain, or rather, between the United States and Great Britain, and some other parts of the British Empire, because different parts of the empire approved it, whereby each of the parties to the convention undertook to assist the other party in matters pertaining to smuggling. More particularly, the different parts of the British Empire that became parties to the convention undertook to assist in connection with the laws of the United States regarding alcoholic beverages.

Mr. ERNST: In what particular, might I ask the right hon. gentleman?

Mr. MACKENZIE KING: The agreement itself as worded was that it was a convention the parties had entered into being—I quote—

"desirous to avoid any difficulties which might arise between them in connection with the laws of the United States re alcoholic beverages." I know the point my hon. friend has in mind. That its provisions related to importations from the sea, and the nature of the agreement was amongst other things to extend the right of search to vessels that were believed to have liquor on board, from the three mile limit to a distance that would be equivalent to one hour's steaming from shore.

Mr. ERNST: I am not criticizing the right hon. gentleman's argument, and I do not say I am not in sympathy with it, but if it is sound, why do the British crown colonies, such as the West Indies—I am not talking of the dominions—still allow clearances to the United States?

Mr. MACKENZIE KING: The crown colonies will have to answer for themselves. It is our duty as members of the Canadian parliament to answer for ourselves, and we in this parliament, both the House of Commons and the Senate, have approved that treaty. Both houses of parliament have approved a treaty which was expressly entered into in 1924 in the first instance by the British government, for the reason that the parties thereto were desirous of avoiding any difficulties which might arise between them in connection with the laws of the United States regarding alcoholic beverages. If differences were likely to arise on the high seas, I submit they are as nothing compared with those that are likely to arise where there are frontiers as immediate as the one between Canada and the United States, and where smuggling takes place not merely across the high seas but across river channels that are far from being wide. The reasons for that treaty are just as strong to-day as they were when it was entered into. I remember, when the matter came up before, mentioning how the late Lord Curzon, who at the time was Secretary of State for Foreign Affairs in Great Britain, had pointed out, as the ground on which the convention should be entered into, that no country could afford to be indifferent to the domestic legislation of another country, that it was bound to have respect for its policies and the sentiment of its people, that it could not do otherwise and hope to maintain friendly relations with that other country. That is the principle I wish now to reaffirm and assert.

Mr. MACDOUGALL: What date was that?

Mr. MACKENZIE KING: That convention was ratified in Washington on January 23, 1924. Ratifications were exchanged on May 22, 1924. The convention was approved by the House of Commons of Canada on March 21, 1924, and by the Senate of Canada on April 4, 1924.

As I was saying, the point that was stressed at the time and that in the main accounted for the action of the British government, was the recognition of the fact that where a country, for reasons of its own, enacts legislation which governs its entire people, it is not the business of another country to inquire whether the legislation is wise, whether it is being enforced or not; it is its business to inquire to what extent its own citizens are respecting their obligations not to attempt to violate the laws of another country. Lord Curzon took very strongly the position that unless that position were maintained, if shipping or commercial interests in one state sought to further their business by running counter to the legislation and practice of another state, as, for example, by violating the laws of another country, "a very delicate and disagreeable situation would be produced" —that, I think, was the phrase he used—with which it would be extremely difficult for the country whose shipping was responsible for the violation of the laws of the other country to deal. I remember at the time of introducing the legislation of 1930, having then the responsibility of Minister of External Affairs, I felt, and had reason to feel, there was possibility of serious difficulty arising any day between this country and the United States by what might take place in connection with smuggling going on between the two countries. I felt that the really grave factor that would grow out of the situation was not one so much pertaining to the individuals participating in the traffic, as the responsibility of the government of Canada itself for their illegal action, seeing that their illegal action could not possibly have been taken except for the government itself through its officials being a party to it.

So much for the convention between Britain and the United States which we approved and to which we are parties. In 1924 the government of Canada entered into a treaty of its own with the United States for the purpose of aiding in the suppression of smuggling between the two countries. My hon. friend and colleague, the member for Quebec East (Mr. Lapointe) was Minister of Justice at the time, and he is one of the signatories to that treaty. The treaty was approved by this parliament. Its object, as I have said, was to aid in the suppression of smuggling. Now if we amend the statute which has been enacted with the express pur-

pose of suppressing smuggling by removing its effective clause we are thereby not only destroying the statute, but are absolutely violating the provisions of our own treaty with the United States.

Hon. members will recall an investigation that was made in 1926 into the administration of the customs service and the report which was presented to this house. That report was before the house prior to the dissolution of parliament in 1926. Hon. gentlemen opposite had a brief term of office, very brief, just prior and immediately subsequent to that dissolution, but during the time they were in office and before dissolution they introduced into this house a resolution that clearances should not be granted to vessels carrying liquor from Canada to the United States, and the resolution carried in this House of Commons. It was the resolution of hon. gentlemen opposite. They themselves supported it and were responsible for its passing through this house. That was in 1926.

Mr. ROBINSON: Is it not a fact that at that time the government was not getting excise duty on liquor exports to the United States, but that they were being shipped in bond?

Mr. MACKENZIE KING: Excise duty or no excise duty, what I am concerned about is the smuggling, and our being accomplices in the smuggling traffic. The select committee of the House of Commons in June, 1926, recommended that, by the extent to which the legislation prohibiting illegal export to the United States might be insufficient, it be amended, and also that regulations be made "to prohibit clearances being granted to vessels carrying liquor as cargo sailing from a Canadian to a United States port." That was adopted when hon. gentlemen opposite were in office in 1926. The bill of the hon. member for West Essex is contrary to that resolution of this house.

Mr. BENNETT: The right hon. gentleman will remember that that was a part of the report of the select committee; the report was made at a time when his government was in power, and its final adoption took place during those hectic days when he ceased to be in power.

Mr. MACKENZIE KING: I fully expected that my right hon. friend would allude to that circumstance.

Mr. BENNETT: It is a fact.

Mr. MACKENZIE KING: I had not forgotten it at all. That is quite true as to this particular recommendation, and it only makes the stronger the point I am bringing out at the moment.

Mr. BENNETT: I agree.

Mr. MACKENZIE KING: That is that all parties were of the opinion at that time that clearances should not be granted to vessels carrying liquor from Canada to the United States so long as the United States was under prohibition.

Mr. BENNETT: That is the point I desired to make.

Mr. MACKENZIE KING: In 1927 a royal commission investigated certain matters pertaining to the customs service, and again a recommendation was made that in all particulars the law should be made such that it would prevent the smuggling of liquor from Canada into the United States.

What was the position of the present prime minister and his supporters when this measure was introduced? I am perfectly frank to admit that the government of the day did not rush into action on the prohibition of liquor exports from Canada to the United States. We realized that to be at all effective any legislation would have to have back of it considerable public opinion not only as represented by hon. members in this house but throughout the country. There was doubt for a time as to whether the United States was seeking to enforce prohibition. It was not until we were perfectly sure that the government of the United States itself was doing everything in its power to enforce its own laws that we took the step which we did. But I remember very well, because I got most of the benefit of it, how my right hon. friend then leader of the opposition waxed full of wrath against me and the government of the day for not having taken that step long before we did. That was the whole gravamen of his indictment. My right hon. friend took the view at that time, and I believe it is the view he will take to-day, having regard to his responsibility as prime minister of this country, that that step should have been taken sooner than it was. I shall be very much surprised if the prime minister to-day at the instance of any one or more of his followers reverses his own position now that he is responsible for any change in this legislation which may find its place on our statutes.

In conclusion, I should like to add that these are days when conditions are troublesome enough on this continent, and in all parts of

the world, to warrant us in being a little careful about taking any step which is going to make more difficult the relations that exist between countries, particularly between countries that are immediate neighbours. We have boasted a good deal on this continent that so far as our relations with the great country to the south are concerned we of the United States and Canada have a happier way of dealing with difficulties that may arise than have any other countries in their relations with their immediate neighbours. We speak much of the settlement of our differences by means of an international joint commission to which we can point with great pride. As a consequence we are in a position on this continent to set an example to the rest of the world as to how goodwill may be maintained on both sides of an international frontier. I hope that my hon. friend will not by pressing his measure seek to have what there is of virtue in that example destroyed not only as regards this country but as regards its effect upon the nations of the world generally.

Mr. C. W. BELL (West Hamilton): I have listened, Mr. Speaker, with great interest, as I always am compelled to do, to the remarks of the right hon. gentleman who has just taken his seat (Mr. Mackenzie King) and I can at least pay him the compliment of entire consistency.

Mr. HANBURY: As always.

Mr. BELL (Hamilton): I should not like to go that far, but he is consistent at all events on the present occasion because, as I think we all remember, the remarks to which he has just given utterance are those which he uttered in defence and in support of the act of which he was the sponsor some three years ago. I can well remember, too, that the right hon. gentleman was consistent in that respect both outside and inside the house because I remember his propounding outside of the house to a few friends, myself among them, the very suggestion that he has now made to the effect that the government of this country became more or less a participant in the activities of those who sought to smuggle liquor into the United States so long as Canada granted clearances, and I must confess that for my part I was very much impressed by that as an argument until my hon. friend from Labelle (Mr. Bourassa) came along and punctured it neatly and completely by pointing out to this house that the government of the United States itself had seen fit to collect from those engaged in the illicit liquor traffic a very substantial portion of its gains from time to time, and was then still doing so. Because of the importance of that circumstance I made it my business to investigate the truth of the statement made by the hon. member for Labelle and I found it was abundantly borne out by the facts. If this house were to content itself at this present day and hour with the arguments that were made under the conditions obtaining in 1930, it might perhaps be said that those who did agree with the position taken by the hon. member for Labelle were in the wrong, and that my right hon. friend's earnest contention against smuggling, on principle, was something which might well be accepted. But, sir, the right hon. gentleman has unfortunately betrayed that same tendency that at times seems to oppress him in other respects: He is slow to appreciate the change in conditions which has taken place in this country and in other parts of the world. This house had an example of that when the empire pacts were laid before it, and we were compelled to realize that the right hon. gentleman opposite was dealing with the past. Again, in the remarks he addressed to the house to-day he is dealing in the past. Because when the bill of 1930 was passed, as the house knows there had been a very substantial majority in the congress of the United States which had declared itself in favour of the maintenance and support of the eighteenth amendment and the Volstead Act. But what has happened since that? If I am not entirely mistaken a gentleman who had the honour yesterday of being shot at in Miami was last fall a candidate for the presidency of the United States. If I am not mistaken in the speeches I heard directed by him to the electorate of the United States—not directly but over many a radio—there was one thing for which he stood, and demanded most emphatically, namely the repeal of the eighteenth amendment. He insisted upon it; there was nothing equivocal in what he said. He declared it was his positive intention at the earliest possible opportunity which should present itself to him to bring about the repeal of the eighteenth amendment. My right hon. friend has very properly quoted the remarks by Lord Curzon to the effect that no country should be indifferent to public opinion in another friendly country. To that, Mr. Speaker, I most heartily subscribe. To that I subscribe, particularly at this very day when in the congress of the United States the very last ramparts of the eighteenth amendment are being torn down. I will not go back and live in the past as my right hon. friend did,

when he endeavoured to have the house appreciate the situation, but I shall turn to a report appearing in the Toronto Mail and Empire of Thursday, February 16, 1933. From page 2 of that issue I read the following:

Washington, February 15.—A victorious "wet" onslaught to-night bowled over Senate "drys" to force a vote at three p.m. to-morrow on the revised Blaine eighteenth amendment repeal resolution, which more nearly conforms with the Democratic platform.

Victory for the Democrats and the "wets" came suddenly. The prohibition defense crumbled completely, their leader agreeing to a final vote to-morrow, after finding their fight against it in vain.

Democrats, under the guidance of their leader, Senator Joseph T. Robinson struck from the Blaine resolution the provision giving congress power to ban the saloon and voted to make ratification by state conventions instead of legislatures.

The powerful Robinson assumed leadership to-night, drove his Democrats into line and their "wet" adherents followed. "Drys" meekly acquiesced.

That, Mr. Speaker, is the present state of affairs in the friendly nation to the south of us with which I am sure every hon. member desires to be in complete accord. Let us put that into action; let us show that when we talk about our friendly disposition towards our neighbours we are prepared to back up what they are doing when, in no uncertain terms, they have shown officially their present position, whatever it may have been some three years ago.

The hon. member for West Essex (Mr. Robinson) has given to the house some very conclusive facts and figures in regard to the amount of revenue of which this country is to-day being deprived by the maintenance of the existing legislation upon our statute books. I believe my right hon. friend from Prince Albert must have been smiling in his sleeve when he stated that the hon. member for West Essex had not given to the house any important reasons for changing the legislation, because those reasons seem to have appealed to many of the leading newspapers throughout this land. Newspaper extracts read by the hon. member for West Essex undoubtedly showed the consensus of opinion held by the leading journals of Canada, and my right hon. friend or any other hon. member cannot get up and ask this House of Commons to disregard the expression of opinion expressed so forcibly by those newspapers.

It is not my intention further to delay the house, but merely to place myself on record in support of the bill. For the reasons given by the hon. member for West Essex I hope the house will see fit to accept the bill. I hope we will endeavour to put into action that amity for the United States which we have been so willing to express in words; I hope that this bill will be the means of striking from the statute books improper legislation, and that we will not find ourselves in the absurd position of maintaining such legislation ostensibly in order to conform to the wishes of the United States and having that country this afternoon or to-morrow destroy their own prohibitory legislation.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, listening to the arguments put forward by the last speaker (Mr. Bell, Hamilton) and the hon. member for West Essex (Mr. Robinson), one would almost conclude that the estimable gentleman who was shot at recently was already seated in his place of power in the United States, and that under his supervision congress had taken action, legislation had been passed and the Volstead Act relegated to the scrap heap. As a matter of fact none of these things has yet happened. Mr. Roosevelt is still President-elect of the United States, and the Volstead Act is still in operation.

On second reading it is customary to discuss the principle of a bill, and at this time I wish to voice my very decided opposition to Bill No. 14, now appearing before us. I was in the house three years ago when the legislation with which this bill deals was passed, and I recall very clearly that such legislation was brought forward very, very slowly. I recall that it took several years of agitation, urging and petitioning from different public bodies, and more particularly from church bodies throughout Canada and especially throughout the province of Ontario, before this legislation was brought down. When in 1930 legislation was brought down under chapter 19 of the statutes of that year; provision was made for three points: First, that it would be unlawful to export intoxicating liquor for delivery in any country into which the importation of such liquor was prohibited by law. That condition obtained in regard to the United States at that time, and the same condition obtains to-day. The second point in the legislation was that it should be declared unlawful to grant a clearance to any vessel carrying such liquor, and the third point, that it should be declared unlawful to make any entry for exportation of such liquor. In the year 1930 that legislation was passed almost unanimously by the House of Commons. Although I have not been able to obtain the information from Hansard, owing to the in-

ability of the Library to supply me with a copy, I believe the recorded division showed that there were only twelve or fourteen votes recorded in opposition to the legislation of that day.

Here are a few facts I would like to place before the house. Smuggling of liquor into the United States prior to 1930 was on an enormous scale. For the year ending March 31, 1926, that is four years before the legislation was passed, liquor smuggled into the United States totalled $12,572,011. For the year ending March 31, 1928, it had reached $18,380,070 an increase of almost fifty per cent. I have not got the increase for the years following that.

The leader of the opposition (Mr. Mackenzie King) says that this legislation as proposed in Bill No. 14, if enacted, would simply open the doors and start again those smuggling operations which had reached such proportions in the years prior to 1930.

On January the 8th, 9th and 10th, 1929, there was a conference held in the city of Ottawa between delegates to the number of twelve from the United States, and to the number of ten representing the Dominion of Canada. Those twenty-two persons met in this city and tried to come to an understanding as to what should be done to overcome the smuggling that then prevailed. Here is some information that was brought forth at that conference. I have a record of seizures made by United States customs officials for the two fiscal years ending June 30, 1928. In those two years there were 634 boats, 964 autos carrying liquor from boats on the United States side, 46,594 cases of beer, 6,644 barrels of beer and 16,360 cases of whisky confiscated. That is what the United States customs officials have a record of for those two years. But they also stated that this only represents from five to ten per cent of the total smuggling that was done during that two year period. If that is correct you will have to multiply those figures by about fifteen to twenty to get the total.

They also had on record at the conference the seizures made for the six month's period from July 1, to December 31, 1928, and they are very imposing indeed. There were 117 boats, 46,076 cases of beer, 4,576 cases of whisky, 375 autos in a total of 2,283 seizures. That is something of the history that we should go back to if we were to adopt this Bill No. 14.

Mr. MACDOUGALL: What government was in power in Canada at that time?

[Mr. Carmichael.]

Mr. CARMICHAEL: It so happens that smuggling and hijacking and rum-running and bootlegging prosper under any government if given the opportunity to do so.

A chief argument used in favour of this bill is that it would increase the national revenue. Well, I think any of us here will agree that we need national revenue, but we are not all going to agree that we need it at any price. If we can get national revenue legitimately, without prejudicing the morals or the lives of our citizens, well and good. But if we cannot, if we are going to weigh upon the one side a few millions of national revenue and on the other side the morals and the lives of part of our citizenry then I think it will not take any of us very long to decide what the verdict should be. The condition that prevailed, especially along the Detroit river, and to a degree also along the Niagara river in the years preceding the passing of this legislation of 1930 is common knowledge. Gangsters, rum-runners, hijackers and bootleggers flourished like the proverbial green bay tree. They were waxing fat and growing rich. Not only were they taking chances with their own lives, but they were endangering the lives of many private citizens. We were informed at that time that the clearance to those vessels would be given in the daytime, and then they would run the river at night, at a time in the summer season when such river was just throbbing with all kinds of pleasure craft. There would be hundreds of small motor boats, row boats and pleasure seekers lining the Detroit, St. Clair and Niagara rivers at the time when the rum-runners would be shooting across with their cargoes. The result was that if the customs officials sought to intercept them and used firearms for that purpose they were endangering the lives of many innocent citizens. Indeed, we do not need to go far back to find that some innocent citizens were injured in that way.

Another important feature that developed in connection with the smuggling to the United States was the fact that there was a return smuggling of materials from the United States to Canada. It was proven that silks, cigarettes and other commodities were brought back into Canada by the smugglers who took the liquor from Canada to the United States, and our customs officials found it almost impossible to stop such traffic.

I think, Mr. Speaker, that if this legislation were before the public long enough for them to get seized of its importance and to realize its effect, we would have a flow of resolutions in here similar to what we had in the years

prior to 1930. Just this morning I received in the mail a resolution from the secretary of a presbytery of the United Church in my own constituency. I read this because it is typical of what many communities would express if they had time and opportunity to do so. It is from Elrose, Saskatchewan, dated February 13, 1933:

At the regular spring meeting of the Elrose presbytery of the United Church of Canada, held at Elrose on Thursday, February 9th, the following resolution was passed:

Whereas the parliament of the Dominion of Canada by a large majority in 1930 amended the export liquor law so as to forbid the release of liquor for export into a country where such liquor is by law prohibited;

And whereas the enactment of this legislation has tended to promote respect for law and to free our borders from growing disorders;

And whereas if and when change is made in the prohibitory laws of other countries such action automatically changes the application of this Canadian statute;

This Elrose presbytery of the United Church of Canada desires to express to the Premier, the Hon. R. B. Bennett, to the Hon. Mackenzie King, the Leader of the Opposition, to A. M. Carmichael, the member for the constituency of Kindersley, and to J. S. Woodsworth, its conviction that no change should be made in the statute touching liquor in this regard.

Signed on behalf of Elrose presbytery.

A. L. Sibbald,
Secretary of presbytery,
Dinsmore, Sask.

I think, Mr. Speaker, that represents the sentiments of a very large proportion of the people of the Dominion of Canada, and I am quite confident that if we had an expression of opinion from the various church and social work organizations, even in the section of the province represented by the hon. member for West Essex (Mr. Robinson), it would be of similar character.

Hon. RAYMOND D. MORAND (East Essex): Mr. Speaker, in supporting this bill the fact that I come from the same county as the mover has, I can assure you, no other significance than that we are in a better position than those in some other places to see the effect of the noble experiment of Mr. Hoover. Sometimes one has to go away from home to get a picture of home conditions, but while I certainly have a great deal of respect and admiration for the hon. member who spoke last, I cannot but feel that the picture he drew of conditions in our particular section of the country is not one that he has gained himself from his own observation but one gathered from magazines, some of which have a habit of picturing things to suit their own purposes.

Mr. CARMICHAEL: No, not a magazine.

Mr. MORAND: It must have been a magazine, a newspaper or some other publication. The leader of the opposition gave two or three different reasons for his opposition to this measure, and I am not without some sympathy with the first of these reasons. The leader of the opposition stated that the original intention behind this legislation was to protect and maintain the integrity of officialdom within Canada, but that argument rather loses its force when we consider that the same thing goes on to-day. But it is covered up; instead of issuing permits for export to Detroit these permits are issued for export to St. Pierre, Miquelon, Jamaica, Cuba or some other place, though the officials know at the time the permits are issued that the liquor is on its way to the United States. So I do not see that this reason has any very great force. Undoubtedly when it is shipped to St. Pierre or some other destination the liquor is handled in the same way it was handled when it was exported to Detroit, and I think every official knows that when he signs these permits he is helping to get that liquor to the United States. There is another fact which is of some importance. When the liquor is shipped in this roundabout way it does not help swell the revenues of Canada. The liquor goes to the United States by a circuitous route, while Canada makes a noble gesture, pays dearly for the privilege and does not accomplish anything in the end.

The right hon. gentleman said very definitely that there never was any question of a quid pro quo, and that it was not intended that we should receive anything in return for our help in Mr. Hoover's noble experiment. Shortly after that, however, he took the attitude that this measure was passed in order to carry out the provisions of existing treaties with the United States. As I see it, there was only one reason for the adoption of this measure, and that was in order to assist the United States in maintaining the prohibition law. Those of us who have lived across from the United States for many years have seen the absolute farce, futility and failure of that method of trying to make people temperate, and surely to-day we should be prepared to listen to the voice of the greatest democracy in the world, which has definitely stated that the repeal of the prohibition act should be brought about. We did our part in the experiment; now the people of the United States have said they are through with prohibition and that they are going to enact such legislation as will

permit the development of temperance by means of education. We cannot help them any longer.

The hon. member for Kindersley (Mr. Carmichael) referred to some of the abuses which undoubtedly existed previously. Does it necessarily follow that with proper regulation and supervision these abuses will develop again? The United States have said they desire the repeal of prohibition, so why should we go through the hypocrisy of sending liquor by the circuitous route which is followed at present? I am prepared to do my bit to see that they get the liquor they want; to see that they get good liquor and that they get it direct. Let our manufacturers and workmen benefit from the increased employment which will result, because we are in a position to secure a market which to-day is extremely difficult of access. I believe the country needs the revenue which will result from the export of liquor to the United States, and for all these reasons I am prepared to support the motion.

Mr. J. L. BROWN (Lisgar): I cannot allow this motion to be voted upon without expressing my opinion in regard to it. The existing legislation was passed three years ago, in response to a very widespread demand on the part of the Canadian people, and by passing that legislation the government of the day recognized that the Canadian people were strongly in favour of that step being taken, not only in the interests of the United States but also because it was a duty we owed our own self respect.

One cannot help asking the hon. gentlemen who have supported this resolution the reason for all the hurry. If conditions in the United States are as they declare them to be what is the reason for all the haste? The hon. member for West Hamilton (Mr. Bell) and the hon. member who seconded the resolution stated that the sentiment in the United States now is different from the sentiment which appeared to exist three years ago, and they said that Mr. Roosevelt's election, together with his promise to bring about the repeal of the eighteenth amendment, warrants us in repealing our own legislation. Well, it is not so perfectly certain that Mr. Roosevelt is going to be able to fulfil his promise. We have had abundant experience with men who have been elected because of great promises but who have not been able to fulfil those promises. It might very well be that Mr. Roosevelt will not be able to fulfil those promises. It must be remembered that the system of government in the United States is not the same as we have here. Mr. Roosevelt has only an indirect voice in legislation and before the eighteenth amendment can be officially repealed it will be necessary for three-quarters of the states to express themselves through their legislatures in favour of the repeal. I ask hon. gentlemen who are supporting this bill: What assurance can you give us that thirty-six out of the forty-eight states will vote for the repeal of the amendment? That in itself should be sufficient answer for the hon. member for Hamilton who is supporting this bill, but there seems to be another and if necessary a more conclusive argument to be offered.

The hon. member for Hamilton is a lawyer and lawyers are supposed to be well versed in the law and to be able to give an opinion as to its effect. As I recall the terms of the legislation it refers to any country into which the importation of liquor is forbidden, the United States not being specifically referred to. If this is true, the minute their proposed legislation becomes effective our legislation ceases to have any force. That seems to be a sound argument, so why the haste? Why cannot hon. gentlemen wait a little while?

An hon. MEMBER: We need the money.

Mr. BROWN: If there was anything that ever brought a legislature into contempt it was the action of the United States congress just before Christmas in putting aside all questions of public importance and scrambling around to see how fast they could pass legislation with regard to liquor. I have often had to confront the inconsistent arguments of the wets but I do not think I have ever heard more inconsistent and foolish arguments advanced than those advanced this afternoon. I do not think there is any need to say anything more, but before we take a vote upon this bill I think we should have a statement from the Prime Minister (Mr. Bennett) as to his attitude.

Mr. SPENCE: Make your own statement.

Mr. BROWN: I am making my own statement.

Mr. SPENCE: Go ahead.

Mr. BROWN: The legislation which it is now sought to repeal was introduced and passed as a government measure. With the exception of one hon. member, there was almost unanimous support from the government side and the total vote against the legislation was only eleven. While the pre-

sent bill is being introduced by a private member, I do not think the government can remain silent upon the matter, especially in view of the statement made by the prime minister three years ago when the previous legislation was before the house. He is quoted on page 613 of Hansard of 1930 as follows:

> And, sir, it is a matter of some satisfaction to some of us who sit to the left, who are on the special committee, which made that recommendation, to know that at least we can support that measure which we could not introduce under the rules of this parliament, but which we have waited four years to hear introduced.

I am quite satisfied that there are many hon. members opposite who are opposed to this bill and I am quite satisfied that the prime minister personally is opposed to it. We do not know whether or not it is a fact, but it has been intimated to us that the government supporters have been given a free hand on this ocassion.

An hon. MEMBER: That is nothing new.

Mr. BENNETT: This is not the Three State agreement.

Mr. BROWN: I do not think the prime minister can escape his obligations in the matter. I hope that when the vote is taken hon. members on this side will oppose this bill just as consistently and as unanimously as they supported the legislation of three years ago. I believe there are many hon. members opposite—I see one—who would be disappointed if this bill was to pass the house.

Mr. A. U. G. BURY (East Edmonton): Mr. Speaker, I shall not detain the house at great length but I wish to put myself on record in connection with this bill which is now before us. May I say that I am almost in complete agreement with the hon. member who has just resumed his seat (Mr. Brown). I have listened very carefully to the arguments advanced from this side of the house and whether or not hon. members like it I am bound to say that I have not heard a single argument which had any cogency or logic. The only complaint I have to make against the hon. member for Lisgar is that he has to a large extent covered the ground which I intended myself to cover.

The act which it is proposed to repeal is not expressly directed against or in favour of the United States, although it is perfectly true that the general principle it embodies was enacted into law because of circumstances existing and reasons connected with conditions in the United States. All that the act does, however, is to lay down a broad principle, that it shall be illegal in Canada to export to a country any goods the importation of which is by its law prohibited. That is a clear principle and it does not matter whether it refers to the United States or to any other country. It is a sound principle which has been recognized over and over again as being legitimate in the enactment of laws by countries, that is to say, that the legislation of a country shall make it unlawful for its subjects to make use of the country itself for the purpose of plotting and carrying out illegal operations in another country. We should not allow the citizens of this country to take active measures and perform overt acts directed intentionally and with our knowledge to the breach of the laws of a friendly state. If that principle is correct, and surely it is, what force can lie in any of the arguments for repeal which have been adduced from this side of the house?

Let me review them for just a few minutes. It is said that we should repeal the act and draw our pen through the broad principle which the act enunciates, because we are receiving or have received no corresponding benefits from the United States. Have we passed legislation of this nature because of considerations coming to us from any other state? Surely the principle on which we have acted is one that is either right or wrong. The matter is not one of money, nor of weighing the pros and cons of consideration; it is the broad general principle I have laid down, namely, that no state can knowingly allow its citizens within its territory to plot a breach of the laws of a friendly state and to use its territory for the purpose of launching an attack against the laws of such state.

Mr. ROBINSON: Why should the United States allow the export of alcohol to this side without any convention preventing it?

Mr. BURY: I am not concerned with whether other states observe to the letter the principle that I have laid down. I do not think any hon. member can seriously question the accuracy of the statement that I have made. How then can the argument that in return for recognizing and observing this principle, we are not receiving any benefit from the United States, have any bearing on the question?

Then the argument has been advanced that there is a loss of revenue to Canada. If the principle be sound, surely that is not an argument against our observing it.

A third argument was used that our present act has in fact resulted in no benefit to the United States because that country has not effectually enforced its prohibition laws. What have we to do with that? That is the con-

cern of the United States. That does not exonerate or relieve us from our responsibility; it does not make it right for us to countenance our own citizens in Canada plotting, planning, conniving and acting towards a breach of the laws of a friendly country.

Then there was a fourth argument, that payments have been taken by the United States authorities from violators of United States acts. The hon. member for West Hamilton (Mr. Bell) stated that until he heard that argument, he was convinced of the cogency of the arguments advanced in favour of the act which it is now sought to repeal, but that a statement of the hon. member for Labelle (Mr. Bourassa) that the United States federal authorities had been collecting money from violators of their country's law, effectually and neatly punctured all the force of the arguments which had been advanced and made him feel it was quite right then for us to connive at a breach of United States laws. I must say I am amazed at the hon. member for Labelle attaching any weight to that argument as an answer to the duty resting upon the Canadian government to see that its citizens did not consciously and intentionally violate the laws of another friendly country.

Let me take another argument. It has been stated that there has come in United States sentiment a change which justifies the repeal of our present act. That also is quite immaterial. Whatever change there may be in United States sentiment, there is as yet no change in their law. We are dealing not with the nature of United States sentiment, but with breaches of United States law, and as long as their law remains what it is, that it shall be illegal to import liquor into their country, so long, whatever the sentiment of that country is or may become, we must observe that as being their law and honour it in our legislation. If we do anything else—there is no use blinking the fact or trying to hide the truth from ourselves—we are only dishonestly, hypocritically, for our own profit making use of a plea that has no legitimate force; we are dealing with a matter of change in United States sentiment of which we constitute ourselves the judges and are electing to act on a matter which is entirely outside our province. We are concerned with the law of the United States, and when the sentiment of the United States is sufficiently altered to take that law off the statute book or to change the constitution accordingly, it will be time enough for us to consider a repeal of our own law.

[Mr. Bury.]

Indeed, may I point out that when the law of the United States is changed in this respect there will be no need to repeal this act. Our act states that what is illegal is the exportation from Canada of liquor into a country which prohibits its importation. The moment it has ceased to be the law of the United States that the importation of liquor is illegal and the moment such importation becomes legal, there will be no need to remove our present law from our statute book. As a matter of fact it should not be removed. As it stands it is the enunciation of a broad general principle which must remain true after the United States amend, if they ever do amend, their constitution so as to render legal the importation of liquor into their country.

It was stated—I do not know whether or not it was given as an argument for repeal—that vessels under a certain tonnage do not require clearance. What that has to do with the question, I cannot imagine. If you repeal this law it does not matter whether a vessel is over or under a certain tonnage, the illegality of importation is wiped out and vessels of all tonnages can take part in what is at present an illegal traffic.

The hon. member for East Essex (Mr. Morand) referred to the noble experiment of President Hoover. We are not concerned with that, nor with any controversy between Mr. Hoover and Mr. Roosevelt. We are concerned only with the law of the United States as it is to-day. Whoever is responsible for it; and whether it is going to be changed or not, or whether prohibition is a noble or ignoble experiment, or whether it is going to be a successful experiment or not, has nothing to do with the matter.

Other arguments were adduced that the officials of this country at the time they give a ship a clearance of liquor from Canada to a foreign port or perhaps to one of the British possessions, know in reality it is ultimately coming back to America. What has that to do with the case? The officials of Canada are there to enforce the law of this country and our law says that there shall be no export of liquor from Canada to the United States so long as by the laws of that country its importation is prohibited. My hon. friend is surely not serious in suggesting that if a cargo of liquor is consigned from some part of Canada to Bermuda, the Canadian official would have a right to say: This is not going to Bermuda at all; it is going to New York or some other United States port and that he would have a right to set himself up as a judge to say whether a cargo consigned to a specific port was or was not going to that

port. He is not concerned with that, he is concerned with seeing that no liquor goes from Canadian ports consigned to United States ports, and he is doing his duty when he does that. If, because of some gerrymandering at such foreign port to which the liquor goes, or on the high seas, the law is broken, that is not his concern.

I do not think there is anything else I can add, except this, in reference to some statements made by the right hon. leader of the opposition. Had I been in the house in 1930 I should have taken precisely the same attitude as the right hon. the present prime minister then took. I should have expressed wonder why so many years had elapsed before this legislation was put on the statute books. I have listened to the right hon. leader of the opposition excusing the dilatoriness of his government on two grounds: First, that it was necessary to wait until a body of public opinion had formed in Canada of sufficient volume to justify the government in putting this legislation on the statute books. Mr. Speaker, the volume of public opinion in Canada has got nothing to do with this particular principle. This is a principle that is recognized and has been recognized for years. The present act should have been put on the statute books years before 1930, and for a government simply to sit still and wait till the pressure of public opinion forces it to put a law on the statute books is merely to play the part of a leader who leads in the same manner as a man leads a wheelbarrow downhill, who is dragged or impelled forward by the force of public opinion so that he cannot do anything else.

Nor am I concerned with such expressions of opinion as have been referred to by my hon. friend from Kindersley (Mr. Carmichael). I am not concerned with waiting to hear what my constituents say on this matter. The principle is clear; the principle is broad; the principle is sound; the principle is true, and nobody can question it. Still less germane and relevant were the remarks of the right hon. leader of the opposition when he sought to excuse the dilatoriness of his government in 1930, and the years prior thereto, in putting the present law on the statute books on the ground that there was not till then a sufficient body of public opinion in the United States in favour of prohibition. What have we got to do with the body of opinion in the United States? We are concerned with the proper attitude of Canada in respect of the recognition of the laws of friendly countries beside us or at a distance, and with seeing that our citizens do nothing, while we can prevent it, to break those laws.

For these reasons, Mr. Speaker, I propose to vote against the bill if it comes to a vote.

Miss AGNES MACPHAIL (Southeast Grey): I agree entirely, Mr. Speaker, with the argument that has been so very well put by the hon. member for East Edmonton (Mr. Bury). I think that before 1930 Canada's action in allowing the shipment of liquor into the United States constituted an unfriendly act when the laws of the United States prohibited entry, and in 1930 when we had the opportunity I then supported the bill prohibiting the export of liquor to any country in which prohibition was the law. I still think that that was sound; and it was sound before 1930, and the same argument is sound to-day. Prohibition is still the law of the United States. It may or may not be their law for a very long time, but that is not our concern. The mover of the bill says that one reason why he wants it to pass is that it would relieve the unemployment situation, and then either he or some other supporter of the bill said that there was as much liquor exported out of Canada illegally as there was legally. So I do not see how it would relieve the unemployment situation. Surely as members of this House of Commons we do not support a principle only when it pays us to do so in dollars and cents. Rather we support a principle because it is a principle, and whether it pays us or not should not influence our action at all. I do think that in this case the honour of Canada is at stake. That was equally true before 1930, and it is true now when we are considering this bill. For these reasons, Mr. Speaker, I shall vote against the bill.

Mr. W. J. LOUCKS (Rosetown): I had not intended to take any part in this debate. It has been my practice as a new member to sit and listen in this chamber with an open mind, and I think I have profited by so doing. The remarks of the leader of the opposition to-day as well as those of other hon. members who have spoken have convinced me, if I was ever in any doubt, as to what action I should take on this bill. I would refer particularly to the address made by the hon. member for East Edmonton (Mr. Bury). I think we are all here to do the right thing, and I believe that there is nothing for us to do but to maintain legislation that was enacted a few years ago. The hon. member for Kindersley (Mr. Carmichael) who is out of the chamber

at the moment, referred to resolutions which he has received from his constituency. I have received none from mine, but I know my constituency pretty well, and I think I know what their sentiments would be on this particular question. I believe they would be behind me in my opposition to the bill which is now before the house. I shall not take up any further time, Mr. Speaker, than to say I am opposed to this bill.

Mr. DAVID SPENCE (Parkdale): The house has become so sentimental over this matter that it is time someone injected a little business into our discussion. I am not an advocate for the liquor trade at all, and never have been, nor on the other hand am I a believer in the Volstead Act or prohibition. I endorse everything that the sponsor of this bill has said, although I do not go so far as to endorse the quotations from newspapers that he gave to the house. After hearing my hon. friend from the border city, the hon. member for West Essex (Mr. Robinson), I made up my mind that I would say something on this bill.

I consider that prohibition is a perfect farce, and too much of the time of this house has been lost in discussing it. It does not matter what governments did in the past. We are here to legislate for the future, and we want to help the business world rather than kill it. That is what I am interested in most—the business of the country. There has been altogether too much interference with the old channels in which business has been done for centuries. The less interference there is by governments the better, but all governments have interfered with people who are doing business in their own way legitimately, because this stuff was being sold legitimately, although I do not argue that it was landed legitimately. I would be the last to allow liquor to go from Canada into the United States if the people of the United States did not want it, but I have never been convinced that they did not want it, and I am not now. When this matter was before us in 1930 I noted from an American newspaper which I got from a friend of mine giving prices on every brand of Scotch, Irish and Canadian whiskey sold in the United States. It proved that they were buying and selling liquor openly in the United States, and I knew that myself. I have been in Pittsburgh, and I have seen them making and selling whiskey every quarter of a mile. They were selling it for $1.25 a quart. I never drank any of it because I would be afraid to

[Mr. Loucks.]

touch it. A great many members on this side of the house share my view on this question. They do not believe too much in temperance, but they are afraid to vote any other way lest they might lose a vote. I come from a temperance riding, but that does not hinder me expressing my views.

As I said before, I am not advocating the entrance of goods into the United States against the wish of that country; I would not do so if I thought they were really sincere and did not want liquor to come in. The right hon. gentleman opposite, the ex-prime minister, said the hon. member for West Essex, who sponsors the bill, had given no good reasons why the past legislation should be repealed. On the contrary I believe he gave many good reasons. The bill which passed the house in 1930 accomplished nothing. It simply drove liquor through a circuitous route into the United States. We lost money; many a man who had invested in stocks in the liquor business lost large sums of money. The past government was always killing the business men. They must realize that there was no sense killing him because to-day they are reaping the benefits of their folly of years past. Many men who bought liquor stocks legally on the stock market lost large sums of money. Those men as well as other people should receive fair consideration.

What is the use of a law which cannot be enforced? The legislation of 1930 has never been enforced. There are too many laws already on the statute books of the provinces and those of this federal government which cannot be enforced. Those laws are proving a farce, and by putting more and more on our statute books we would only be turning the public against us everywhere. When laws are impossible of enforcement it is only mockery to have them on our statute books, especially when we know they cannot be enforced.

I do not know whether the right hon. gentleman opposite was sincere when in 1930 he brought in this bill. I think he was looking for a nice moral question upon which he could go to the country—but he did not succeed in what he was attempting. He could have brought down that legislation years before, but he chose to wait for the psychological moment to pull a nice stunt. But the people were wise, and he did not accomplish his purpose. The great trouble in this house is that people do not speak their own minds, but speak the minds of some other people. They are not sincere. As far as I am

concerned, when I rise to my feet I am expressing my own views. I believe when I tell the people in Parkdale, the riding I have the honour to represent, that these are my views, they will at least thank me for being sincere. On one occasion when I was running for office in the city council a certain temperance bunch—

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: —I will not give their names, but people who belonged to all the churches imaginable, waited upon me as a deputation to ask me to vote against a measure which the party to which I belong was introducing in the House of Commons. I said I owed no allegiance to those people, but that I owed allegiance to my party, that I would vote with them always, but that I wanted them always to be right. As a matter of fact I think at least ninety-nine per cent of the time we are right.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: On one occasion in the year 1910, I was running for alderman, and had the good fortune to beat a strong temperance opponent. After his defeat he circulated the rumour around the church that I was a drinking man, and for that reason that I should not be supported. The meetings which he addressed were held in a Methodist church in Parkdale. I am telling you the truth, gentlemen.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE: They said, "We cannot support this man Spence, because he takes a drink." Fortunately I had a good friend at the meeting who said, "Well, the only difference between Mr. Spence and some of you gentlemen sitting in this room to-night is that if Dave wants it he goes in by the front door and gets it, and not by the side door." I will tell you frankly that I have no doubt there are a hundred hon. members in this house who take more than Dave Spence, but in order to hide it they go in by the side door.

Hon. members should attempt to be sincere. If we enact laws which cannot be enforced we are just asking people to become sinners. You cannot legislate a man to be good; you cannot legislate him to be sober. Even in the old country conditions are different to-day. Not long ago I was in Ireland, and I learned they are not drinking nearly as much as they used to drink. The same condition obtains in Scotland. I suggest that education has had a great deal to do with the change. I can remember that not far from my own home in an Irish town there were four public houses at one street intersection. The market where the people sold their cattle and pigs was close to that corner. When I was a boy the men used to hang around the doors of those hotels, and passed out bottles of ale and Scotch whiskey. But when last I visited Ireland the people were out on the streets doing business, buying and selling. Education is responsible for the change. Law could not make such a change, no matter what my lawyer friends may say. Of course I cannot follow their arguments at all, because they are much too learned for me. I know only the business world.

I do trust this government will settle down and see to it that too many restrictions are not enforced, so that people will have difficulty in doing business. The people who are dealing in or buying stock in a liquor business are entitled to consideration. The production of liquor helps the farmers, because grain is required, and I am convinced it is a very bad thing to restrict business in any way, as long as that business is legally conducted.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I was somewhat surprised that there should be any doubt concerning my position with respect to this legislation. I cannot but think that the experience of the hon. member for Lisgar (Mr. Brown) and others, as to the uncertainty of their own minds just before the past adjournment makes them suspicious of the opinions of others. We do not change our minds each minute; we are not prepared to support an agreement one minute and oppose it the next, just because somebody else does. I merely mention that, in passing, to the hon. member for Lisgar.

In 1930 I followed the then leader of the government, the present leader of the opposition (Mr. Mackenzie King) and, as strongly as it was possible for me to do, supported the legislation. I gave my reasons—not all of them. I still think there was a reason I might have given, a reason perhaps as powerful as any which could be advanced, namely, that I conceive it to be a principle of international law—true, it has been acted upon only in a limited number of cases—that where a friendly nation has knowledge of the fact that another nation has prohibited the importation into their country of commodities, it is a breach of good faith, of good neighbourliness and of international law, as I appreciate it, to aid, abet and succour the breach of that law.

There is one serious doubt, however, with respect to the application of it, which arises by reason of the fact that the late govern-

ment made a treaty with the United States of America. That treaty was made for Canada through its then minister of justice, the hon. member for Quebec East (Mr. Lapointe) and on behalf of the United States through its secretary of state, Mr. Hughes. I have never been able to understand or appreciate —which does not in any sense indicate that the provision was not based upon sound ground—the reasons for the concluding portion of article II of that treaty. Article II says:

> The high contracting parties agree that clearance from Canada or from the United States shall be denied to any vessel carrying cargo consisting of articles the importation of which into the territory of Canada or of the United States, as the case may be, is prohibited—

That is my appreciation of what should have been said, and in my view the article should have stopped there. But this is what follows:

> —when it is evident from the tonnage, size and general character of the vessel, or the length of the voyage and the perils or conditions of navigation attendant upon it, that the vessel will be unable to carry its cargo to the destination proposed in the application for clearance.

It will be recalled that during the customs investigation of 1926-27, it was made apparent that ships cleared for ports which there was no possibility of their reaching. This article, for a reason to which I shall presently refer, provides that the prohibition of clearance shall be made effective only when it is apparent that the vessel is carrying such cargo, or when other circumstances indicate that the vessel will be unable to carry that cargo to the destination named in the application for clearance. There, you will observe, is a tacit recognition of the legality of clearances. It has always been difficult for me to understand why that tacit recognition of the legality of clearances was inserted in the treaty. The treaty was signed on the 6th of June, 1924, and I have never been able to understand, nor do I yet understand, why the article should not have ended at the word "prohibited," thus making it read:

> The high contracting parties agree that clearance from Canada or from the United States shall be denied to any vessel carrying cargo consisting of articles the importation of which into the territory of Canada or of the United States, as the case may be, is prohibited.

But it will also be recalled that during the debate that took place in 1930 I presented to the house the correspondence and read extracts from the documents showing that an effort had been made by the United States to negotiate a treaty along those lines. That effort failed. It failed because no action was taken by the Dominion of Canada. Now we have this incontestable fact, that on the 6th of June, 1924, the Dominion of Canada signed a treaty with the United States that by implication, applying any rule that may be applied as to the construction of documents, gave to such a clearance, by its recognition, the colour of validity and legality, except it be a clearance for a vessel that came within the latter part of article II. As I say, that is the only difficulty I have with respect to this whole matter and the application of the principles of international law to which I shall presently refer.

I have always thought that the analogous case was the so-called Alabama case. It will be recalled that during the American civil war, complaint was made by the northern states that Great Britain had violated neutrality by permitting a ship built at the Cammell-Laird yards at Birkenhead to escape, after warning had been given by the representative of the northern states. She escaped in 1862 to Teneriffe, where she was fitted out with guns to prey upon the commerce of the northern states, as a result of which extensive losses were sustained and many vessels destroyed. The United States continued to complain; negotiations proceeded for several years. Finally, on the 8th of May, 1871, the parties entered into the treaty of Washington, which dealt with many questions in dispute between Great Britain and the United States. The then Prime Minister of Canada, Sir John A. Macdonald, was one of the commissioners and plenipotentiaries for Great Britain who signed that treaty.

In that treaty three rules were agreed upon which should govern in determining the validity of the claims of the United States for damages for loss of its commerce. These three rules I submit have application to a case such as this. They are as follows:

> A neutral government is bound—
>
> First.—To use due diligence to prevent the fitting out, arming, or equipping within its jurisdiction of any vessel which it has reasonable ground to believe is intended to cruise or carry on war against a power with which it is at peace, and also to use like diligence to prevent the departure from its jurisdiction of any vessel intended to cruise or carry on war as above, such vessel having been specially adapted, in whole or in part, within such jurisdiction, to warlike use.
>
> Secondly.—Not to permit or suffer either belligerent to make use of its ports or waters as the base of naval operations against the other, or for the purpose of the renewal or augmentation of military supplies or arms, or the recruitment of men.

Thirdly.—To exercise due diligence in its own ports and waters, and, as to all persons within its jurisdiction, to prevent any violations of the foregoing obligations and duties.

Although these principles were not adopted as rules of universal application in international law, these words appear in the treaty:

Her Britannic Majesty has commanded her High Commissioners and plenipotentiaries to declare that Her Majesty's government cannot assent to the foregoing rules as a statement of principles of international law which were in force at the time when the claims mentioned in article I arose, but that Her Majesty's government, in order to evince its desire of strengthening the friendly relations between the two countries and of making satisfactory provision for the future, agrees that, in deciding the questions between the two countries arising out of those claims, the arbitrators should assume that Her Majesty's government had undertaken to act upon the principles set forth in these rules.

Then follow these words:

And the high contracting parties agree to observe these rules as between themselves in future, and to bring them to the knowledge of other maritime powers and to invite them to accede to them.

It is perfectly true that these rules, which are now a part of international law as far as Great Britain and the Dominion of Canada and the rest of the British empire are concerned, applied only to the principles of neutrality when there was war between contending states. The state of civil war that existed between the southern and the northern states made it incumbent upon Great Britain to preserve neutrality. As a result of the escape of the Alabama and other ships Great Britain was called upon by the award of the arbitrators to pay fifteen and a half million dollars, which was distributed in part amongst those who had suffered losses.

My view has been that we have a similar case with respect to the countries that have passed prohibitory legislation with respect to any commodities if we give the sanction of this country by granting clearances into that country of such contraband commodities. The rules of blockade with respect to international law, the rules with respect to contraband of war, can obviously have no application in time of peace, but by analogy I submit it is fairly clear that liquor is a contraband of peace. I think I said that in this house in 1930, intoxicating liquor is contraband of peace. Why? Because the supreme legislature of the United States has declared that it shall not be imported into that country, and a prohibition exists against its importation. We too have passed prohibitory laws with respect to many commodities; you will find the names and descriptions in our customs legislation. My view is that wherever you have a prohibition of the importation into a country of that which thereby becomes contraband of peace, it is a violation at least of those principles of friendly relationships that exist between peaceful countries to force or to aid or abet in the forcing of said prohibited goods or commodities into that country.

It is by that principle I stand. I oppose this bill because it is to my understanding a violation of the true principle that should govern the relations between friendly states. If in time of war two belligerents are entitled to demand from a neutral country the application of the rules that I have mentioned, it is equally true that in time of peace, where there is a prohibition that makes a commodity contraband of peace, the same rules should be applied. We should be astute enough to see that not only are we not partners, but that we do not aid or abet or assist or permit anything being done by our country that militates against the maintenance of friendly relations, by becoming parties, or partners if you will, or aiders or abettors, if you will, in or to a violation of the law of a friendly state. That in my judgment is the principle that governs. By the application of that principle this bill should not pass. The legislation that was passed in 1930 gave effect to that principle. It tardily gave effect to it, in my judgment, and the only difficulty I have ever had is with respect to article II of the treaty, which in itself is a tacit recognition of the validity and legality of a clearance except under conditions that do not apply in this case at all.

The desire on the part of many that legislation of this character no longer should be applicable if one of our friendly neighbours sees fit to pass legislation removing the prohibition is not pertinent to this discussion, for the simple reason that no such legislation has been passed. What is more, under the terms of the existing legislation—and the house will remember the discussion which took place in 1930—it will be recalled that if the prohibition of the friendly state against the importation of the commodity is removed, the right to grant clearances at once revives, because there is no legal prohibition and it is no longer a contraband of peace. In that case the clearances could be granted validly and legally, and no longer could the charge be made that the Dominion of Canada had aided, abetted, assisted or even connived, if you like, in the violation of the laws of a friendly state.

Without going into the matter at greater length it is on this ground that I am unable to support the motion. May I add that the only reason I did not think it desirable to participate in the debate at an earlier stage was that this is a private bill. Personally I have grave doubts as to the competency of a private member to introduce a bill of this character; I think I could show good reason for that statement, because in my judgment it conflicts with one of the rules of this house, but in any case the bill is here before us. I thought the right of every member freely to express his opinion with respect to a private bill thus introduced should be in no sense lessened by any observations which might be made by the leader of the government, because it might be supposed that he was speaking as such. Therefore I have listened to the observations of hon. members of the house both in opposition to and in support of the proposed bill which has for its object the repeal of the legislation of 1930. I oppose this bill even as I supported the bill of 1930. I supported that bill for the reasons I then gave and for the reason I ventured to express to-day, namely that this country cannot become a party to the passing of legislation which gives countenance to the export to a friendly country of that which is prohibited by that country as a contraband of peace.

Mr. C. G. POWER (Quebec South): I much regret to have to admit that the position taken by the right hon. Prime Minister (Mr. Bennett) to my mind is technically correct. There is no doubt that the passing of this legislation in 1930 was intended to be a gesture of goodwill towards a friendly nation, and if that nation were still of the same mind there might be some force in that argument to-day. I opposed the bill in 1930 because I always have been opposed to anything in the nature of prohibitory legislation in this country or anywhere else. If the same condition existed to-day that existed then the argument of the right hon. Prime Minister might be sound, but as has been well said by the hon. member for West Hamilton (Mr. Bell), the people of the United States of America have voted by a majority of more than 11,000,000 to repeal that prohibition law. We know that steps are being taken by the legislative bodies of the United States to bring about that repeal, but we also know that because of the defects of the American constitution in all probability it will be two or three years before that end is achieved. Then will it not be a gesture of friendship and goodwill on our part towards the United States to say; "We will help you when you cannot help yourself"? I contend that by voting for this resolution we will be doing far more to create goodwill between ourselves and our neighbour to the south than we will do by saying: "We will wait until, with the intricacies and complexities of your constitution, which we do not think is a free constitution, you get rid of this prohibition and at last show yourselves before the nations of the world as a free people."

Before taking my seat I cannot help but direct the attention of the house to something that amused me a great deal. I refer to the hon. member for Lisgar (Mr. Brown) appealing to the Prime Minister to help him out of his difficulty. That shows the condition of mind and the state of panic in which our prohibitionist friends find themselves—and I suppose under the circumstances I might have the right to say "I told you so." I do hope, Mr. Speaker, that the legislation of 1930 will be repealed by a majority equal to that with which it was passed. I see my friend the Minister of Railways and Canals (Mr. Manion) smiling. He was one of that brave band of eleven who voted against this legislation, and I know he will be consistent and vote for the bill now before the house. I was reading over the remarks made in 1930 by the present Prime Minister, then the leader of the opposition, in which he twitted the former Minister of National Revenue on his vote at that time. I sincerely hope that on this occasion the Minister of Railways will not leave himself open to the reproach from this side of the house that the former Minister of National Revenue received on that occasion.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. M. J. MALONEY (South Renfrew): Mr. Speaker, as one of the noble eleven who stood out in opposition to the act passed in 1930 prohibiting the export of liquor from this country to the United States, I deem it my duty at the present time to give my reasons for voting as I did upon that occasion.

I recall very well the speech delivered at that time by the hon. member for North Waterloo (Mr. Euler), then minister of national revenue. He described a visit which he had made to the city of Detroit. After very careful observation he came to the conclusion that the government and the people of the United States were not sincere in their efforts to prohibit the importation of

liquor from this or any other country. He told us of having seen a boat loaded and unloaded with liquor under the eyes of the officers of the law of that great country. I felt at the time that we were being made nothing more or less than policemen to enforce the laws of a foreign country. I could not conceive it to be my duty to support such a bill, as I felt it was not our duty to enforce the laws of the United States of America. These are some of the reasons why I voted against the bill in 1930.

At that time the right hon. the leader of the opposition (Mr. Mackenzie King), then leader of the government, made the statement that perhaps not more than two per cent of the spirits entering the United States illegally came from our country. It was a fact that a considerable quantity of alcohol and its allied products were being consumed by the people of the United States, but where did the other ninety-eight per cent come from? Part of it was home manufactured, but a large part came from foreign countries. I could not see where cutting off two per cent would have any considerable effect upon the people of that country, and I asked myself the question: Why should the people of Italy, of France and of Great Britain be permitted to have their liquor released for export to the United States or any other country and a penalty be placed upon our doing the same thing?

I pictured to myself the loss of revenue which would occur. We had a vague idea of the quantity of liquor which was being exported from this country, but we knew for a fact that at least $20,000,000 per year of good American cash was coming into this country as payment for the liquor that went out. It may have seemed sordid to look at the matter in that way, but the fact was that they were going to spend the money, so why should we not get our share when the money was good?

I do not believe that any hon. member who spoke this afternoon objected on moral grounds to the terms of the bill now before the house, nor was such the case in 1930. At that time the legislation was not framed for the purpose of uplifting the morals of the people of this country; it was put before this house as a political issue. I think the hon. member for Parkdale (Mr. Spence) made that very clear this afternoon, and I need not elaborate. It was not a moral issue, it was an election issue. Even though it had been a moral issue, I was prepared to take the same action. As hon. gentlemen have mentioned this afternoon, many of us do not believe in prohibition of any kind. Prohibition means taking the people by the throat and crushing them down; we believe in moderation, not in prohibition.

After hearing the arguments placed before the house this afternoon against this bill, I cannot feel that I was wrong in 1930. The arguments are based upon a treaty entered into some years ago between Great Britain and her dominions and the United States, a treaty which had to do with shipping and liquor. There was also a treaty entered into in 1924 between Canada and the United States dealing with the smuggling of all commodities. This treaty was considered lightly until suddenly in 1930, when an election was looming, the government felt it necessary to prohibit absolutely the shipment from Canada of anything contraband to the United States.

We have kept rigidly indeed our part of the treaty, but what have our neighbours to the south done? The government of that day passed an act binding us to prohibit the export of liquor from this country to the United States, but what did they get in return? Did they insist that the United States should control the export of contraband articles from that country to Canada? Not at all. The result is that while we are not allowed to export liquor to the United States, the United States is shipping into this country millions and millions of dollars' worth of contraband goods, consisting of silks, tobacco, cigarettes, and various other commodities. We have kept our faith; they have not kept theirs. We have been told to-day that a change of sentiment has taken place in the United States, and no man can deny that. The United States for several years have been labouring under a law which was not popular. In November last they voiced their opinion of that law, and three weeks or more from to-day the first move will be made to throw it into the discard and there will be substituted for it a law which will be entirely different from the Volstead Act which is at present in force in that country.

Much has been said of good will among nations; much has been said and well said by many on both sides who support this bill, about our duty to our neighbours. If we wish to show goodwill to our neighbours, now is the time. Let us pass this bill; let us allow the free exportation of liquor from this country and let the people of the United States keep it out if they so desire. Let us bring back to Canada the revenue which we have been denied for the last three years; a very conservative estimate of the amount we have lost by the passage of the act at present in force, is $60,000,000. The law has contributed nothing to Canada, nothing to the welfare

of the United States, nothing to the moral uplift of its people.

When I heard this afternoon the talk of gangsters and of the terrible conditions existing around Windsor and Detroit, from those who live perhaps thousands of miles away, and when I heard also hon. members who live in that particular locality tell us that those reports are entirely exaggerated, I prefer to take the word of hon. members from the counties of Essex who live on the ground. I prefer to take the word of the hon. member who was Minister of National Revenue in 1929 and who told the house that the people of the United States were not in favour of prohibiting the export of liquor from this country and that he saw nothing wrong on the part of Canada. I would rather take the word of those gentlemen, and for that reason, when the vote is taken on the second reading of this bill, I intend to vote for it.

Mr. J. A. BARRETTE (Berthier-Maskinonge) (Translation): Mr. Speaker, I shall add a few remarks to this interesting debate, because the constituency which I represent possesses an industry which has been very successfully operated for quite a number of years: the Melchers Gin Company. I am aware that this industry is highly appreciated by our friends opposite because, each time we have an opportunity of sampling its products, it is always a source of pleasure.

I wish to congratulate the sponsors of this measure which, in my opinion, should be unanimously adopted by the house. After the statement made by the President of Melchers Gin Company—which in the past gave work to three hundred heads of families—that it had to close its doors owing to the act prohibiting the export of alcoholic liquors which was passed by the previous regime, I cannot see why this government would not sanction this measure. I have never been able to understand why the right hon. leader of this government (Mr. Bennett) approved and still upholds this act to which I was opposed at the time, and to which I am still opposed.

I deem it my duty to appeal to hon. members to lend their support to the sponsors of this bill amending the Export Act so as to allow alcoholic industries to carry on their business as in the past.

Mr. Victor Marchand, the President of the Melchers Gin Company, recently informed me that, if this act was repealed, the company would immediately employ three hundred heads of families. The question is therefore worthy of consideration and the house should approve of the motion introduced by the hon. member for West Essex (Mr. Robinson) and so well seconded by the hon. member for East Essex (Mr. Morand). I regret that I only took cognizance of this bill late this evening, otherwise, I would have submitted to the house convincing statistics that this measure should be adopted. I shall therefore vote in favour of the bill of the hon. member for West Essex.

Mr. J. H. MYERS (Queens): Mr. Speaker, although the bill sponsored by the hon. member for West Essex (Mr. Robinson) deals with a question which concerns more particularly that part of Canada which lies quite near the United States, as a representative of the people of my province I should be remiss in my duty if I did not very shortly express to the house my opinion with regard to the bill. The house is aware of the fact that the province from which I come, rightly or wrongly—and that is its own business—has at the present time a prohibitory law on its statute book. Therefore I consider it my duty, no matter what my personal opinion in the matter may be, to express the views of the people I represent.

The United States for a number of years past—no matter what may happen a month or three months or a year from now—have had a prohibitory liquor law. It is true that one of the planks in the platform of the Democratic party which swept that country in November last, was that they would do away with the eighteenth amendment. But that promise has not so far been implemented, and until such a time comes, until they place on their statute book a law which will do away with the eighteenth amendment and with prohibition in their country, the matter is entirely in their hands, and in the meantime I consider that Canada would do very well to leave our law as it stands at present. When the United States do away with prohibition, if they do—and I have no doubt they will—then the law as we have it now on our statute book will become null and void and there will be no need of any discussion such as is now taking place here. For that reason, while I do not like to differ with some of my good friends on this side, I hold myself free to vote against the bill.

Mr. DEPUTY SPEAKER: Is the house ready for the question?

Mr. ANDERSON (Halton): I move the adjournment of the debate.

Mr. DEPUTY SPEAKER: Who seconds the motion?

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, it is conceded by most hon. members that there were two major issues which led to the defeat of the government which preceded this one, one the export of liquor and the other the import of butter. Both were trade matters, and this side of the house felt it was particularly strong on trade policies generally, but evidently on these two trade issues the majority of the electors thought otherwise. I think it is quite consistent for the notable eleven who voted against the legislation of three years ago to vote for this bill which seeks to repeal it, but what are we to say of those other members who by voting for this bill are simply advertising to the country that they secured their seats largely by means of their disapproval of the old bill? That, of course, cannot be proved, but there is no other interpretation to put upon their action than to conclude that it indicates the support they received from the liquor interests. They know that this bill is not going to pass in face of the opposition of the leaders of the two major parties and of the leader of the other wing of the opposition, who, I feel sure, would also be opposed to it if he were present. I am surprised that any hon. gentleman would so advertise himself to the country, but possibly, it may be claimed that the distillery has as much right to be represented in this chamber as any other vocation. Besides, these hon. members are bravely attempting to kill something that will be automatically dead in a very short time anyway, just as soon as the eighteenth amendment is repealed by the United States congress. The whole thing is dead now so far as we are concerned, and it does not take very much courage on the part of hon. members supporting this bill to get up and attempt to kill a prohibition that is practically dead already. I really cannot understand them at all.

There is one other thing that causes me anxiety. This is the second or third occasion on which I find myself supporting the great majority of the government. But it is not my fault if they happen to be right two or three times. I am not going to go wrong just to take opposite sides from them. The other day when we were discussing the Cooperative Commonwealth Federation I found myself with every member on the other side of the house who spoke against the resolution of the hon. member for Winnipeg North Centre (Mr. Woodsworth). Hon. gentlemen know that it is not a very comfortable position sometimes to be voting with the opposite party, nevertheless I faced the music on that occasion.

Mr. MANION: Worse for us.

Mr. MOTHERWELL: Worse for me. Then to-day again I am with hon. gentlemen opposite who spoke against this bill because I believe they are right, particularly the prime minister (Mr. Bennett); and I am prouder still to follow my own leader and the hon. member for Lisgar (Mr. Brown) in voting against this bill, which has been brought up simply for the purpose of showing certain vocational interests in this country which side certain hon. gentlemen are on. I am going to show which side I am on, and if it comes to a vote I am going to vote against the bill.

Mr. ANDERSON (Halton): Mr. Speaker, I again move the adjournment of the debate.

Mr. DEPUTY SPEAKER: The hon. member has already spoken in moving the adjournment of the debate, when he had no seconder, and he cannot speak a second time.

Mr. ROBINSON: Am I not to be allowed to close the debate, Mr. Speaker?

Some hon. MEMBERS: No, no.

The house divided on the motion (Mr. Robinson), which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Anderson (Halton), | Lacroix, |
| Arsenault, | Laflèche, |
| Arthurs, | Larue, |
| Baribeau, | McGillis, |
| Barrette, | McGregor, |
| Bourassa, | Maloney, |
| Bradette, | Manion, |
| Brasset, | Mercier (Laurier-Outremont), |
| Cowan (Port Arthur-Thunder Bay), | Mitchell, |
| Deslauriers, | Morand, |
| Desrochers, | Power, |
| Dorion, | Price, |
| Dubois, | Raymond, |
| Dupuis, | Rhéaume, |
| Fontaine, | Roberge, |
| Fraser (Northumberland, O.), | Robinson, |
| Hanbury, | Rogers, |
| Hanson (Skeena), | St-Père, |
| Harris, | Sauvé, |
| Heaps, | Smith (Victoria-Carleton), |
| Hurtubise, | Spence, |
| Johnstone, | Tétreault.—44. |

NAYS

Messrs:

Anderson (Toronto-High Park),
Baker,
Barber,
Beaubien,
Beaubier,
Belec,
Bennett,
Bertrand,
Beynon,
Bothwell,
Bourgeois,
Bowen,
Bowman,
Boyes,
Brown,
Burns,
Butcher,
Carmichael,
Casgrain,
Cayley,
Charters,
Coote,
Cotnam,
Cowan (Long Lake),
Davies,
Denis,
Dickie,
Donnelly,
Dupré,
Duranleau,
Esling,
Fraser (Cariboo),
Ganong,
Garland (Carleton),
Geary,
Gershaw,
Girouard,
Gobeil,
Golding,
Guthrie,
Hall,
Hay,
Ilsley,
Jean,
King, Mackenzie,
Lapointe,
Lawson,
Loucks,
Luchkovich,
MacInnis,
MacMillan (Saskatoon),
MacNicol,
Macphail, Miss,
McDade,
McLure,
Moore (Chateauguay-Huntingdon),
Motherwell,
Munn,
Myers,
Neill,
Nicholson,
Parent,
Peck,
Perley (Qu'Appelle),
Pickel,
Plunkett,
Porteous,
Reid,
Ross,
Rowe,
Séguin,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smoke,
Speakman,
Spencer,
Sproule,
Stanley,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Sutherland,
Swanston,
Thauvette,
Thompson (Simcoe East),
Thompson (Lanark),
Totzke,
Weese,
Weir (Melfort),
White (London),
White (Mount Royal),
Willis,
Woodsworth,
Wright,
Young.—100.

Mr. DUFF: I was paired with the hon. member for Cumberland (Mr. Smith). Had I voted I would have voted against the bill.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted I would have voted against the bill.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the bill.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted I would have voted against the bill.



Mr. WEIR (Macdonald): I was paired with the hon. member for Selkirk (Mr. Stitt). Had I voted I would have voted against the bill.

## PENITENTIARY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 25, to amend the Penitentiary Act (eight hour day).

He said: Mr. Speaker, the main object of this bill is to reduce the working hours of the guards and officials of the penitentiaries, who are now working from eleven hours in the day to thirteen hours at night. It is proposed in the bill that their hours of duty be reduced so that they will be the same as those of all other civil servants, namely for the period of eight hours each day. Penitentiary guards and officials are the only class of public servants who are compelled to work more than eight hours a day. It is not necessary for me to point out that there is no more exacting work than that of guard or instructor in a penitentiary. They have always to be on their guard and to exercise the utmost vigilance in handling men confined to the penitentiary, some at least of whom are scheming to escape.

It has always seemed strange to me that the guards and other officials employed in penitentiaries should be compelled to work such long hours, especially when all other classes of employees are employed only eight hours a day. I ask hon. members to compare them with the police forces and members of fire departments throughout the country. It is my understanding also that in provincial prisons the guards are asked to work only an eight hour day, and I am informed further that in mental hospitals that is the duration of their daily duty. Throughout Canada however we have here institutions in which men are compelled to work an eleven hour period in the day and a thirteen hour period at night. It may be argued that throughout the month their daily average is not more than eight hours, but I suggest that is not a fair way of looking at it. The fact is that in a twenty-four hour period two men are asked to do the work of three. Where there is so much responsibility, where constant vigilance is required, where instructors and guards must be on the alert every moment they are on duty, it is not in the best interests of the country to compel them to work eleven or thirteen hour periods. They are dealing with men whose liberty has been taken away from them, and some of whom are continually plotting escape as is well known. Some men in penitentiaries fear neither law nor mankind.

At this time it is not my intention to discuss generally the conduct of affairs in penitentiaries; that phase of the matter may be discussed later. The purpose of the bill, with the exception of section 2, is confined wholly and solely to the hours of duty during which officers shall work. The purpose of section 2 is to reduce from ten to eight the working hours of prisoners. On one occasion at least when I raised the question of hours of duty to which officials were subjected the Minister of Justice replied that the hours of labour of prisoners had some material bearing on the matter. It is with that in mind that the second clause in which the hours of labour of prisoners are reduced from ten to eight, has been added to the bill. I may add that the provision for a ten hour labour period now contained in that section is a relic of by-gone days and when people worked much longer hours than they do to-day. As a matter of fact at the present time no prisoners work a ten hour day; they work eight hours and very often less than that.

There is a provision in the bill whereby the warden or deputy warden, if necessity should arise, may direct that the prisoners work longer hours. I believe the bill as it now stands should commend itself to all hon. members, and I ask favourable consideration by the minister and the government.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, where practicable I am in favour of an eight hour day for all government employees. In our legislation concerning the eight hour day it will be found that the eight hour period now applies to almost all branches of the dominion public service, but there is in our law a saving clause under which any particular branch of the federal service may be excluded from the operation of the eight hour day provision. One of the branches of the public service which up to the present time has been excluded is the penitentiary service. Under the Penitentiary Act all convicts who are sent to penitentiaries are sent there to do hard labour; that is a provision of the act. Hard labour embraces within its definition a ten hour day.

In the bill before us I notice a proposal to reduce the working hours of convicts to eight hours. The law has always contemplated ten hours as a proper day's work for convict labour. When one considers the proposal to reduce hours of labour the question of the number of guards required for penitentiaries at once arises. I am informed by the departmental officials that with the exception of a single letter received from one guard, there have been no requests from the guards for a reduction in their hours of duty. There have been many requests, however, by labour organizations asking that a reduction be made in respect of all members of staffs in our penitentiaries and particularly in respect of guards. I find also in the matter of guards that the Canadian penitentiaries are perhaps not as well staffed as prisons in other countries, notably in Great Britain and the United States. It may be that our staffs are a little limited in respect of the number of guards. In Great Britain I find that in the great prison of Dartmoor, where they had the serious revolt last spring, for 440 prisoners there was a staff of 96 guards, about one guard for every five prisoners. In the various prisons of the United States, while there is no uniform rule on the subject, the average is about one guard for every seven prisoners, while in the Canadian penitentiaries the average is approximately one guard for every ten prisoners. At the present time the number of guards employed in all penitentiaries of Canada is 598, but this has been increased within the last three months owing to disturbances which took place in three of the penitentiaries. At the time of the disturbance in the Kingston penitentiary there were 96 guards and 957 prisoners; at St. Vincent de Paul 115 guards and 1,115 prisoners; at Dorchester 47 guards and about 470 prisoners. The total number of prisoners in Canadian penitentiaries is in the neighbourhood of 5,000, including those at Piers Island, B.C., and the total number of guards at the present time is 598, so the proportion of one to ten is pretty fairly maintained. And that proportion has been maintained on the basis of a twelve or thirteen hour day on the part of these guards. It is quite true, as my hon. friend who moved the second reading of this bill has stated, that the average hours of work of a penitentiary guard throughout the whole year do not amount to eight hours per day, but that average is arrived at after computing certain leave and absences which the guard is permitted.

An hon. MEMBER: Seven days a week.

Mr. GUTHRIE: I have had a report compiled upon the subject, and I find the matter has been under examination in the Department of Justice on several occasions during recent years. The average has been taken in respect to certain guards from actual time sheets. Their average for seven months is 203 hours and 50 minutes of service each per month. During the seven months the guards in question had 39 days' annual leave, two statutory holidays and 32 days' sick leave. The officers are paid for sick leave when they have sick

leave to their credit. This works out at 6 hours and 26 minutes per officer per day in a thirty day month, or 7 hours and 50 minutes per day if a six day week is used as the basis of calculation. So taking the average throughout the year the actual time of service on duty of a guard is less than eight hours per day under the present system, although I grant that the ordinary day for the guard is some twelve hours and on night duty thirteen hours.

When prisoners are called upon to work they start early in the morning. The guards are turned out with them. They go in gangs to the various shops or quarries or fields to perform the ordinary penitentiary labour, and of course, guards are appointed for each gang of prisoners. A count is made when they go out, record is kept of all material they take with them; when their working period is over the same guard brings them back, when another count is made to see that they are all there, and the materials are again all checked. So the time of the guard and the time of the prison labour coincides. If the proposed change is made and the guards are allowed an eight hour day there will have to be breaks in the working periods, unless the period of labour of convicts in the penitentiaries is also reduced to eight hours as asked for in this bill.

It has been estimated that at least 175 to 200 additional guards would have to be taken on if the eight hour day system is put in force. The average cost per guard in the Dominion of Canada, according to the figures of last year, is $1,300. That includes uniform, cost of meals and estimated value of medical attention at $3 per man. The cost per man is $1,177.20, in round figures $1,200, and allowances as stated. An additional 175 or 200 guards would, it is said, also involve an increase in the number of higher officers on the staff. The amount of additional expenditure involved in the proposal is very serious; it would run, it is said, from $240,000 to $250,000 a year in the cost of management of the penitentiaries of Canada.

The wardens of the various penitentiaries do not favour the change, except one. One warden has drawn up a schedule of hours for the guards as well as for the prisoners, and he thinks the system could be made to work satisfactorily provided the increase in the number of guards which I have indicated, and also certain additional members of the higher staff, were permitted. That is the opinion of the warden of St. Vincent de Paul penitentiary, who is one of the very best officers on the whole penitentiary staff.

Mr. LAPOINTE: Hear, hear.

[Mr. Guthrie.]

Mr. GUTHRIE: He says:

> The night staff would remain as at present, except for the alternation in the deputy warden and chief keeper visiting rounds. To assure full control it would be necessary to have an additional deputy warden or chief keeper. I think that it would be preferable to have an additional chief keeper; one assistant steward, one assistant engineer, one guard fireman, and three more keepers would also be necessary.

These are the higher paid officers of the staff. He goes on to say:

> Only the guards taking over the duty from the night staff till the opening of the prison would report at 6 a.m., and would work from 6 a.m. to 8 a.m.; then at noon from 11.30 a.m. to 2 p.m., and from 5.30 p.m. until 10 p.m., thus making eight hours duty. The assistant chief keeper would relieve the deputy warden and the chief keeper two hours each during the day, and visiting rounds would require to be additional duty for this officer during the night.

He places the additional cost as far as the St. Vincent de Paul penitentiary is concerned at the sum of $45,000 a year, including salaries and uniforms. The other wardens do not favour the change according to the records in the department. And they point out that the guards themselves have not asked for the change except in very few instances.

Now, guards who serve on night duty do, I believe, serve as long as thirteen hours. They tell me that it is not good policy to attempt to change guards during the night hours. As I pointed out a few minutes ago, if guards are to be changed more frequently, there will always be a certain amount of delay when the change takes place; there will be the checking over of the men, or, as they call it in the penitentiary, "the count;" the checking of the tools and other material which has been used by the preceding watch or preceding guard. All these things involve extra trouble, a certain amount of delay and a very substantial amount of expenditure in increased staff. I do not think that under present conditions one would be warranted in proposing the additional expenditure in regard to penitentiaries of say a quarter of a million dollars for the purpose of introducing at this time the eight hour day system. I should like to see such a system introduced; I should like to see eight hours made a day's labour throughout Canada in all federal departments if it were possible to do so, but I do not think it would prove to be a very workable system in the penitentiaries at the present time. Certainly the guards in penitentiaries have very responsible positions. This week I read in the report of Senate debates that it was suggested by a certain senator that guards should be in the nature of evangelists, missionaries or teachers, who could improve the prisoners while they were

serving their time. I can only say that if we introduced guards of this sort into our penitentiaries, the guards themselves very soon would become convinced that they were misplaced.

Unfortunately, Mr. Speaker, our penitentiaries contain the most serious type of criminals to be found in the country. Of course there is a distinction between a prison and a penitentiary. For the most part the prisons of Canada are under provincial jurisdiction, while the penitentiaries are under the Dominion government. Unless a man is sentenced to a term of two years or more, and unless he is a criminal of the more serious type he is not sent to a penitentiary. During the past few years, however—perhaps since the war—we in Canada and perhaps the people of other countries as well have been invaded by a class of criminal, not all Canadians but from other countries as well, of a more desperate type than we ever experienced before. Some attribute this condition to the motor car. We know that the motor car bandit and the hold-up man are much in evidence in Canada to-day. Bank hold-ups are of almost daily occurrence; there have been no less than four in Toronto within the last ten days. These bandits are armed and do not hesitate to use their arms should occasion arise. As a result we have in the penitentiaries of Canada a very large proportion of desperate criminals serving very long terms. Of necessity the guards in these penitentiaries must be strong and courageous; they must be men of intelligence and judgment, and they must be men who can be depended upon in any emergency. They have a very hard, reckless crowd with which to deal. Many of the prisoners seem to be entirely regardless of what may become of them individually; of course many are life prisoners, and they seem to be entirely careless of what may be done to them. They are desperate, and like necessity desperation knows no law.

We must have carefully selected guards, therefore, and in the future we will endeavour to pay more attention than has been paid in the past to the selection of guards. The position of guard is an important one, and to a large extent it is a dangerous one. If the guards themselves objected to the hours of labour I think perhaps the matter might receive more consideration but, as I have stated, I have found in the records only one case where a guard suggested the eight hour day, although during the past six or eight years many labour organizations have pressed for it.

What I take to be the most formidable objection to changing the system at present, however, is the actual money required to make the change. With existing conditions in Canada I would not feel warranted in asking for the expenditure of an additional quarter of a million dollars, which would be necessary to put this change into effect, and I do not know that the change would produce any better results than we have experienced to-day. I should like to increase the number of guards in some of the penitentiaries, and as a matter of fact since the recent outbreaks this has been done. We have increased the number of guards at Kingston from 96 to 154, at St. Vincent de Paul from 115 to 140, and at Dorchester from 47 to 54. The staffs in the other penitentiaries remain unchanged. This was thought to be a wise precaution having regard to the conditions which undoubtedly existed in those institutions.

It must be remembered that at the moment we are faced with another rather heavy expenditure. We must take care of from five hundred to six hundred Doukhobor prisoners who are held at Piers island on the Pacific coast. That prison has been especially constructed for the purpose of looking after these prisoners, who have been sentenced to terms of three years imprisonment. A staff of guards had to be procured, I think in the ratio of about one to twelve, and the increase in expenditure occasioned thereby has been very considerable.

Under these circumstances I would not feel warranted in recommending the change proposed by this bill at the present time. I do not commit myself or anyone else in regard to future policy in this respect, though personally I strongly favour the eight hour day upon government work.

Mr. HANBURY: The minister stated that the increased cost would be about $250,000. I wonder if he could tell me just what percentage that is of the total cost of penitentiary services.

Mr. GUTHRIE: I could not answer that question unless I had the estimates before me. If my hon. friend will look at the penitentiary estimates he will find the total cost shown, and he can make the calculation himself.

Mr. A. E. ROSS (Kingston City): I am in favour of the principle of this bill, especially since this country is committed to the eight hour day, but it seems to me that as this bill is drawn it is quite useless. The establishment of the eight hour day would depend upon the request of the warden or deputy warden, and we have just heard that only one warden is in favour of the principle, so this would not appear to be of very much use.

My second point in regard to this bill is that the penitentiary system is undergoing

reorganization, and it would be hardly fair for parliament to pass a bill such as this without giving the new organization sufficient time to consider the matter. So far as I am concerned I think eight hours is quite long enough for a guard to be on duty, but I believe we should allow this reorganization to take place before we consider any measure such as the one now proposed.

The second section of the bill is rather humorous; at present I think public opinion is rather changing with regard to the position of the convict. I have nothing to say with regard to the first offender; I always have been in favour of showing him every possible consideration. On the other hand, however, the second offender, the repeater, should receive no favour so far as this country is concerned unless we want to find ourselves, with regard to our penitentiaries and the whole question of crime, in a position similar to that in which our neighbour to the south finds itself to-day. It would not mean anything if we were to say the convicts should work only eight hours a day. Every prisoner has to be in his cell before dark, and that means that at no time do they work eight hours at a time. Then the suggestion is made that they should not be asked to work on fast days or thanksgiving days. I wonder what sort of thanksgiving day would appeal to a man in penitentiary. I do not think he would consider that thanksgiving day as anything worth having. Clause 2 is absolutely humorous; indeed it is ridiculous, especially to those who understand the present day conditions in the penitentiaries.

While I shall vote for the principle of the bill, I think it would be much better if this house reserved its opinion until we see how the new organization was working out. If the guards at Kingston penitentiary have been increased from 88 or 90 to 140, it may be that the superintendent and the new warden will be in favour of this bill. I think it would be unfair for the house to express or press its opinion before the new organization can get under way and express its views.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I should like to say a few words in support of this bill. During my experience with labour movements throughout the past year I have always found that when a shorter working day is asked for it is argued that such is not possible because of working conditions and costs. However, it has always been found to work very well when put into effect, and I am sure the same thing would apply in this instance.

The minister says that these guards are charged with very responsible duties. I have no doubt that he is correct, but he should realize that a man charged with very responsible duties should not be asked to carry on with those duties for thirteen hours at a time. When a man has carried on very responsible duties for eight hours, I think it is time he should be relieved. Those of us who perform duties which take our attention for some considerable time know that as the hours wear on we get irritable and those with whom we are associated feel the effects of the long hours we have been at work.

Previously whenever the eight hour day question has been brought before the house we have been met with the argument that this is a matter of provincial jurisdiction and that this government could not do anything. In the present instance the Dominion government has full jurisdiction and the only obstacle in the way is that of organization and cost. Even with the additional cost, there would be some saving because of the fact that a certain number of men would be taken off the unemployed list. The minister stated also that the guards themselves did not want this. The guards at Westminster penitentiary or others speaking for them have approached me on this matter to ask my support. The guards did not want their names made known because they were afraid it might jeopardize their positions. I am glad to know that the minister is favourable to an eight hour day and that this would be put into effect if times were different, but I do not think conditions could be more favourable than at the present time. Two or three years ago times were fairly good in this country and yet no effort was made to reduce the hours. I would suggest that this is as good a time as any to make this very desirable change.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, perhaps this is not the time to go into the penal system of Canada in any detail, and I do not propose to do so at the moment. I have no objection at all to an eight hour day for the guards, but I do not think the working day of the inmates should be reduced to eight hours. Every-one knows that what the convict fears most is loneliness, he dreads being shut in a cell from the time he comes off work until the next morning. To add to that period of loneliness would be unnecessary and needless cruelty. I am hoping that some beneficial results will come out of the recent disturbances which have occurred and that lights will be put in the cells by which the prisoners can read. At the present time the lights provided make it almost impossible for the convict to read for any length of

time. The statement is made that school teachers are provided and the prisoners have an opportunity of educating themselves. Those are just words without meaning. They have forty minutes immediately after they eat to attend the classes, the worst time possible to attempt to study. The blood supply cannot be in the stomach and the head at the same time.

May I be permitted to make the statement that in my opinion the recent disturbances were not due to certain prisoners who had been recently sent to the penitentiary. The government is to be congratulated in having communists in the penitentiaries on whom the blame for the disturbances can be placed. If the penal system of Canada had been reorganized according to the report of the royal commission which sat when Mr. Doherty was Minister of Justice there would not have been any disturbances. I should like to quote very briefly from the report of this commission which sat in 1914, as follows:

> Speaking for themselves, the members of the committee would not before undertaking this investigation have believed that the penitentiary system could have been as needlessly cruel as it in fact is, and the absence of those features of the system which involve unnecessary mental or physical suffering would not to any of them make prison any the less abhorrent.

That is the commissioners speaking, not the convicts. This very excellent report was reinforced by another one in 1921 by a committee appointed to advise upon the supervision of petitentiary regulations. There was also a resolution moved by myself and adopted by the government but never acted upon. Since 1914 nothing has been done to bring the penitentiary system of Canada up to date.

Our present system is based upon revenge and not upon reform. I disagree altogether with the hon. member for Kingston (Mr. Ross) who stated that we owed nothing to the repeater. The repeater is the result of poor environment, unsound heredity and an inefficient penal system. If there are a great many repeaters, then without going any further I think we can say that something radical is wrong with the penal system. Punishment should never be in the nature of revenge, it should always be with the idea of reforming the individual. At all times the state should be above the thought of wreaking vengeance on the individual.

Let me repeat what I said in the beginning. It would be the most cruel thing possible to limit the penitentiary working day to eight hours, because in that case the prisoners would be locked in their cells much longer than they are now. If the intention is that the number of guards be doubled or increased, I have no particular objection. So far as lack of money is concerned, we can take what we are spending on cadet training or the non-permanent force or some other source of useless expenditure, and put it to this use if it is needed. The very fact that the prison population has doubled in the last three or four years goes to show that the causes of crime lie outside the penitentiaries; they are at the moment largely, although not wholly, economic, and just to increase the supervision in penitentiaries will never lead to a change in the penal system or to a reformation of the prisoner. If this bill means an eight hour day for all, I am very much opposed to it. If it means increasing the number of the right type of guards, then I would be in favour of it.

Mr. THOMAS REID (New Westminster): Mr. Speaker, if there are no other speakers, I might be allowed to say a few words. In view of the minister's statements it is not my intention now to press this bill; my desire was to have the matter brought to the serious attention of the minister and the house.

Mr. SPEAKER: If the hon. member is speaking in reply on the motion, I would call the attention of the house to the fact that if he speaks now he will close the debate. If anyone else wishes to speak he should do so now.

Mr. REID: I should like to say a few words, however, in reply to the Minister of Justice (Mr. Guthrie) who said that no guards had petitioned for this. The information given to me is that the guards are not allowed to organize and therefore they have no voice to present their petitions to the warden or the minister of justice. I do not know why they are not allowed to organize —that may be good business or otherwise— but I believe I am fully voicing the expressed opinions on behalf of the men who work in the penitentiaries when I propose reducing the hours, eleven to thirteen, to eight. I presume it is a serious matter at this time to ask for such a large increase in expenditure. As regards the remarks of the hon. member for Kingston City (Mr. Ross) he may refer to section 2 as foolish, but the present regulations call for ten hours of hard labour. The prisoners are not doing hard labour or working ten hours. Why he should call it humorous or ridiculous to reduce the prisoner's hours to eight, I am at a loss to understand.

Mr. ROSS: I will agree with the hon. member that they have been shut in for about four months.

Mr. REID: Why did the hon. member not oppose the present act instead of this bill?

Mr. ROSS: The present act does not allow shutting in of that kind.

Mr. REID: I would ask the minister to take this matter into serious consideration, because I am convinced that an eight hour day can be put into effect. I spent the greater part of a day in seeing how the guards operated and how the whole system worked. My real purpose in introducing the bill was to bring the matter to the serious attention of the minister and the house. That having been done, and on the assurance of the minister I am quite willing, after hearing his remarks, to withdraw the bill, and that this whole matter be again considered.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman have leave to withdraw his bill? In any event I have grave doubt whether it is in order. I am inclined to the opinion that it is contrary to standing order 60, but as the hon. member is withdrawing the bill, the point need not be decided.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I was going to raise a point of order, but inasmuch as the hon. gentleman could discuss the matter on a resolution, I thought it better before doing so, for him to conclude his observations. This constitutes a charge on the public revenue and will increase taxes, so that according to the rules of the house it is a money measure and it is not competent for a private member to introduce a measure that involves an additional charge upon the taxpayers. The hon. member of course could discuss it on a resolution, and in view of that fact I thought it well to let the discussion conclude before raising the point of order. If an hon. member, by introducing a bill to reduce hours of labour, can circumvent the general rule precluding private members from introducing money bills, obviously the procedure is open to question. It is an indirect way of trying to do something that could not be done directly, and I submit that for further guidance it would be well to have the matter disposed of.

Bill withdrawn.

## CRIMINAL CODE AMENDMENT

The house resumed, from February 14, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 24, to amend the criminal code (unlawful associations), and the proposed amendment thereto of Mr. Guthrie.

[Mr. Ross.]

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I have very few words to add to what I said the other day in connection with this bill and the amendment of the Minister of Justice (Mr. Guthrie). When the hour for public bills expired, I was referring to section 133 of the criminal code, which section had been repealed in 1919 at the same time that section 98 was enacted. The hon. member for Winnipeg North Centre (Mr. Woodsworth) called my attention to the fact that in 1930 the section was reinserted, and he was right. On every occasion when a measure had passed this house to repeal section 98 and to reenact section 133, the repeal of section 98 as well as the reenactment of section 133 was rejected in the other chamber, but in 1930, though they voted against the repeal of section 98, they agreed to the reinsertion of section 133, which is an essential safeguard for free speech. But this only shows that parliament in 1919 went very far in enacting an exceptional piece of legislation.

I stated that the Minister of Justice was wrong in suggesting that all those who were asking for repeal of section 98 were extremists, belonged to special associations which were radical in their views. I said that every year I was a member of the government I attended interviews with the Trades and Labour Congress of Canada and other labour associations, at which the repeal of this section was urged. Those associations are far from being radical in their views. I have taken the trouble to look into the report of the Trades and Labour Congress of Canada for every year during at least the last six or seven years. In every one of their reports and at every one of their annual meetings they protested against this section and passed resolutions asking parliament to repeal it. Let me call attention more particularly to the report of the meeting of last year, 1932, held in Hamilton. What they did with regard to this section will be found on pages 222 and 223. In 1931 the Trades and Labour Congress, under the presidency of Mr. Tom Moore, met at Vancouver and there reiterated their objections to this section, as will be found on pages 19 and 185. In 1930 they held a meeting in Regina, where again the same resolutions were passed, and it is to be noted that at every one of those meetings the congress rejected motions advocating extreme measures; motions, for instance, asking for the liberation of prisoners who had been convicted for having taken part in riots. They showed themselves as being conservative

in the good sense of the word, but at the same time they insisted upon asking parliament to repeal this legislation which is obnoxious to the sane element of labour in all parts of Canada. It is a mistake, I respectfully submit, on the part of the Minister of Justice or of any hon. gentleman to represent as extremists or communists those who are asking for the repeal of this legislation of 1919. On the contrary, I believe that every sane labour leader in Canada will tell my hon. friend that section 98 is rather a weapon in the hands of agitators and gives them a chance to attack parliament and the law of Canada. It is not legislation that conforms to the ordinary rules of British justice.

Mr. BENNETT: There is nothing in the section to forbid the criticizing of the parliament of Canada; it is the destroying of it by force.

Mr. LAPOINTE: I say that the men who are asking for the repeal of this legislation are not the extremists such as have been described in this house. It is sufficient to call attention to one or two features of section 98. Subsection 2, for instance, says:

(2) Any property, real or personal, belonging or suspected to belong to an unlawful association, or held or suspected to be held by any person for or on behalf thereof may, without warrant, be seized or taken possession of by any person thereunto authorized by the commissioner of the Royal Canadian Mounted Police, and may thereupon be forfeited to His Majesty.

Under that section any senseless person, anyone who was over-zealous, if he could persuade the commissioner of the mounted police, could be authorized to enter my own home if he said that I was suspected of having in my possession some documents or something else which was obnoxious. Now that is not ordinary British justice.

Mr. GUTHRIE: It has never been done except once.

Mr. BENNETT: It has been the law for thirteen years, and there has been no complaint.

Mr. LAPOINTE: I call your attention, Mr. Speaker, to that retort, that it has been there for thirteen years and has not been used.

Mr. GUTHRIE: Except once.

Mr. LAPOINTE: Then why should it be there at all? I say it is contrary to all the ordinary rules of British justice. It is an axiom of British law and British justice that a man's home is his castle into which even the king of England cannot enter. This legislation is absolutely opposed to anything that can be found in the statutes of any other British country. It is a product of the war. My hon. friend the Minister of Justice (Mr. Guthrie) alluded to the fact that this legislation was enacted to embody the report of a committee which had been sitting in 1919, and of which he said I was a member. I was not a member of that committee.

Mr. GUTHRIE: I know the hon. gentleman sat in the old museum, and was there the day that Senator Copp voted for the proposal.

Mr. LAPOINTE: No.

Mr. GUTHRIE: His was the one vote that carried it.

Mr. LAPOINTE: I am sure my hon. friend is wrong. I took the trouble to go to the library and consult the records because I knew I was not a member of that committee. The Hon. Charles Murphy was, and perhaps it was of him my hon. friend was thinking.

Mr. GUTHRIE: And Senator Copp.

Mr. LAPOINTE: Yes, he was there.

Mr. GUTHRIE: And his vote carried it.

Mr. LAPOINTE: The vote carried, yes.

Mr. GUTHRIE: His vote carried it.

Mr. LAPOINTE: It was far from being a unanimous vote.

Mr. GUTHRIE: It carried by Senator Copp's vote.

Mr. LAPOINTE: I have here the Hansard of 1919, and at page 3291 the Hon. Charles Murphy is reported as follows:

There was in the committee a very sharp division of opinion as to the necessity of amending the criminal code, and there was a further division of opinion whether, in the event of the committee being of opinion that the criminal code with reference to sedition and seditious propaganda should be amended—in view of the numerous strikes and the general unrest throughout the country—this was the proper time to make such a report to the house and induce a discussion of matters that would inevitably be discussed by reason of that report and of ony action that might follow the introduction of that report. It was on the latter ground principally—coupled with the fact that an opinion prevailed that the present criminal code was ample to cover the class of cases to which the attention of the committee was directed—that a portion of the committee, including myself, shared the view that this was not the proper time to introduce such a report as that, the adoption of which has now been moved by the Solicitor General.

I see that my hon. friend, who was I believe the chairman of that special committee, in the course of his speech in the house at that time

intimated that this legislation was to put on the statute book what had been the law during the war by orders in council. During the war, of course, the government of the day had almost a blank cheque to do practically everything, and they passed orders in council dealing with sedition, unlawful meetings and unlawful associations. These orders in council lapsed after the war, and this particular legislation was enacted for the purpose of replacing them. Those of us who remember what happened at the time know how dangerous it was even during the war to have such wide powers given to the government. I remember a case where a man was prosecuted for having in his possession Plato's Republic! I think that the Labour people of Canada are right in asking that such a condition should not be made permanent in the statutes of this country. I have said that the other clauses of the criminal code are quite sufficient to deal with sedition. We are being told that these are restless days, dangerous times, that there is unemployment and that we must have all the power necessary to deal with these troubles when they occur. My answer is that under the other clauses of the criminal code we have that power.

I should like to refer hon. members to recent cases in three provinces of the dominion which have been taken to the appeal courts in those provinces. I refer first to the case of Rex vs. Jones, reported in Canadian Criminal Cases, 1932, page 81, where the appeal court upheld a conviction under section 87 made in pursuance of riots which had taken place on account of unemployment and trouble in Alberta. The same thing happened in Manitoba, as is shown in the case of Rex vs. Beattie, 55 Canadian Criminal Cases, page 380, where, again in the appeal court of Manitoba, Chief Justice Prendergast affirmed a conviction made under section 87. Again in Ontario, in the case of the King vs. Patterson, reported in Dominion Law Reports, volume 3, 1931, at page 267, the appeal court of that province affirmed and upheld a conviction made under section 89 of a man who had been found guilty of taking part in riots and unlawful meetings which arose through unemployment.

I am sorry to disagree with the Minister of Justice. I respect the opinions of those who do not share my views, but I would ask them to bear in mind that so far as communism is concerned I am quite ready to speak against it as violently as could any other hon. member. I repeat: I am opposed to communism and its methods, but I do not think that by enacting special or arbitrary legislation which is contrary to the ordinary rules of British justice and British procedure we are adopting the best method of fighting it. Especially do I hold that view when I know that this legislation is resented by people who cannot be classified as agitators or extremists. I am deeply convinced that the enacting of section 98 was a mistake. I am sorry to disagree with hon. members opposite, and that my views do not meet with the approval of that great organ in Montreal, the Montreal Gazette. But on many occasions I have had the misfortune of not having the approval of the Gazette.

Mr. BENNETT: Would the hon. member permit a question? Is there any legislation except the first part of section 98 which meets adequately the case against communism. That has been my difficulty.

Mr. LAPOINTE: Yes, sedition, under the common law, and even other sections of the code.

Mr. BENNETT: They do not touch communism.

Mr. LAPOINTE: Absolutely. I mentioned them the other day, but I am quite willing to repeat them. I hope hon. members will refer to the annotations in the criminal code showing that in England proposals to enact legislation of this kind have always been rejected, because in that country they preferred to remain under the common law. They always find a way of convicting under the ordinary rules of common law those who are guilty of fomenting trouble. Apart from that I am free to admit that temperamentally I do not like this kind of legislation. I do not believe that this is a good way to repress error. After all, to allow freedom is the best way of dealing with people in a democracy, and I am free to confess my belief that always when truth and error are given a fair field, truth ultimately prevails. That is one of the chief reasons for my opposition to this legislation.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, the ex-Minister of Justice (Mr. Lapointe) is so emphatic in his arguments in favour of the repeal of section 98, and has quoted so widely from the reports of labour organizations, that I purpose taking a directly opposite view and quoting the opinions of many other organizations which doubtless also advocate the repeal of this section. At the outset of his remarks the ex-minister of justice stated that during his term of office on five different occasions he sponsored a bill in this House of Commons the substance of which was almost identical with that of the bill now before the house.

As I was not in the house on those occasions I do not know whether the government of that day had an absolute majority or whether it was necessary to obtain the support of the southeast corner of the house.

Mr. LAPOINTE: No.

Mr. MacNICOL: Nor do I know whether on any occasion such a bill went from this house to the Senate, and that body had a majority in support of the party then in office, the party of the ex-minister of justice. But if the Senate did have a Liberal majority at that time, or on any occasion to which the hon. member has referred, I should like to know how strong an effort he made to persuade his friends in the Senate to pass the bill instead of throwing it out. I can say this, that the party now in office will not ask the Senate to throw it out; we will throw it out ourselves and hope that it will not be resurrected. In spite of the credit the ex-Minister of Justice takes upon himself for supporting agitations in and out of this house for the repeal of this legislation, I am satisfied that within the house the hon. member for Winnipeg North Centre (Mr. Woodsworth) must receive the major portion of credit, or censure, or whatever it may be, for the movement to repeal section 98. The militant part of the agitation is carried on by militant socialists and communists outside the house. I am going to connect it up, if I can, directly with Moscow and the communist international. I quite admit that the ex-Minister of Justice is sincere in all he said and likewise perhaps every one else in this house, and I will go further and say that many outside the house are sincere in their objections to the section and in their desire to have it repealed. But in my humble opinion a great many others appear to take their marching orders from the seat of the communist international whose headquarters are in Moscow. I will read from the Theses and Statutes what I believe are the marching orders:

> For all countries, even for most free, "legal" and "peaceful" ones, in the sense of a lesser acuteness in the class struggle, the period has arrived when it has become absolutely necessary for every communist party to join systematically, lawful and unlawful work, lawful and unlawful organizations . . . It is especially necessary to carry on unlawful work in the army, and navy, police—

> This country is aware of the agitation that has been carried on in the last two or three months on many platforms to wreck institutions we stand for.

> —and persistent and systematic propaganda and agitation is necessary in the army where communist groups should be formed in every military organization. . . .

> The working class cannot achieve the victory over the bourgeoisie by means of the general strike alone and by the policy of folded arms. The proleteriat must resort to an armed uprising.

Now we have heard of on scores of platforms during the recess of this parliament of arguments advanced why an upheaval, a violent upheaval such as they had in Russia, might take place. I think it is about time those opposed to this propaganda—and I am one—should stand up and place themselves four-square against it instead of offering arguments in support of it.

The clause it is sought to have repealed is directed against unlawful organizations whose professed purpose is violence and so forth. I have read section 98 very carefully and I can see nothing in it that prevents anyone from going on any public platform and advocating almost anything he fancies provided he does not advocate violence and military uprising. When I was a young man I remember taking part in a debate on a resolution that Canada should be part of the United States. The negative side won—not that I was on it, but perhaps the judges were as much opposed to any such proposition as those on the negative side were. Had violence and militant action to achieve that end been advocated then it would have violated this section. But one can go on any platform and advocate anything within the law. Personally I am in favour of free speech, but I am opposed at all times to the advocacy of change by violence and the upsetting of our institutions by armed uprising.

I said at the beginning that I believe that this whole agitation has its origin in Moscow. I do not charge that anyone advocating these things in this house is associated in any way with Moscow, but the militant communists outside are, and they are the people responsible for the major part of the agitation. I know that the hon. member for Winnipeg North Centre (Mr. Woodsworth) has spoken in many meetings and has been cheered to the echo for many statements he has made, but I know further that it is easy in any great city to pack a hall with sympathizers for what he advocates. It is not difficult to get an audience of 1,000 or 10,000 for meetings in Toronto.

I want to read out of these same statutes of the communist international what I believe shows the hook-up of this whole propaganda with the whole communistic agitation. I do not say, as I explained a moment ago, that those advocating the repeal of this section are hooked up with it, but the agitation is in my opinion:

The class struggle in almost every country of Europe and America is entering the phase of civil war.

Has it not been stated on our platforms in Canada during the last few months that we may have an upheaval, armed or otherwise? Did I not note a short time ago that the hon. member for Winnipeg North Centre had said such and such must come, that is we must either take it or have it jammed down our throats?

Under such conditions the communists can have no confidence in bourgeois laws. They should create everywhere a parallel illegal apparatus which at the decisive moment should be of assistance to the party to do its duty toward the revolution.

We have heard a great deal about revolution lately; has repeal anything to do with revolution that has been advocated?

In every country where, in consequence of martial law or of other exceptional laws, the communists are unable to carry on their work legally, a combination of legal and illegal work is absolutely necessary.

This section is directly opposed to those who advocate violence or illegal work. No one else is interfered with; anyone who desires to effect change in a legal way need not fear section 98. I can go on any platform and advocate what I believe to be for the best interests of Canada, but I may not advocate with it violence and armed upheaval.

Persistent and systematic propaganda and agitation must be carried on in the army where communist groups should be formed in every military organization. Wherever, owing to the repressive legislation, agitation becomes impossible, it is necessary to carry on such agitation illegally.

That is what we are opposed to. We are opposed to illegal organization and armed upheaval, or the repeal of this section or the smashing of our institutions.

In countries where the power is in the hands of the bourgeoisie, or the counter-revolutionary social democrats, the communist party must learn to unite systematically legal with illegal work.

All we are opposed to now is illegal organizations, and before I sit down I am going to give quite a list of them said to be, and tell something about what they advocate. An illegal organization advocates violence and armed upheaval. The object of section 98 is to prevent violence and armed upheaval. What hon. member will stand up in this house and advocate violence and armed upheaval? I do not think there is one. Then why should any hon. member here or anyone outside the house who does not advocate violence and armed upheaval fear this act? I am not in accord with repressive measures; I do not think repressive measures achieve their ends at all, and if any part of this act can be characterized as extremely repressive I would think that might be given consideration. On the other hand it should be sufficiently severe to prevent the advocacy of armed upheaval or violence. A great many organizations have been established in Canada and, in the opinion of those who have been carrying out law enforcement in this country, many of these organizations are unlawful. I am going to refer to two organizations. I do not say that they are unlawful; I do not know, and as a matter of fact I would rather admit that they are quite regular. On December 13 last, the hon. member for Winnipeg North Centre spoke in a hall in East Toronto, and he is quoted as follows in the Mail and Empire of December 14, 1932:

J. S. Woodsworth, M.P., leader of the Cooperative Commonwealth Federation, declared last night at a meeting in Danforth Park school, before an audience of more than one thousand persons—

Before reading this quotation I should like to protest publicly against our public schools and certain of our churches in Ontario lending their platforms for the advocacy of all sorts of proposals calling for the destruction of our institutions as we know them.

Mr. WOODSWORTH: Mr. Speaker, on a point of order, I must object to any member of this house implying in any way that I used any public school for the purpose of advocating the destruction of any of our institutions. I ask that no such statement be made.

Mr. MacNICOL: If the hon. member for Winnipeg North Centre had heard me correctly he would have known that I did not say he had advocated anything of the kind. What I did say—and what I will say again—was that I publicly protest against school auditoriums in the province of Ontario—for the upkeep of which I pay large taxes—being used for the advocacy of political propaganda these times designed to destroy our institutions as we know them. Now if the hon. member for Winnipeg North Centre wants to come within that class that is up to him.

Mr. WOODSWORTH: On a point of order—

Mr. MacNICOL: Continuing to quote—

Mr. WOODSWORTH: Mr. Speaker, the rules of this house are designed to protect the members of this house. I object to any implication—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Will the hon. member state his point of order?

Mr. WOODSWORTH: Yes, Mr. Speaker, I am doing so. I object to the implication that in any way whatever I attempted to advocate the destruction of any of our institutions.

Mr. SPEAKER: The hon. member is not in order in taking any such objection. I was listening attentively to the hon. member for Toronto Northwest (Mr. MacNicol), and no such implication was made. The hon. member for Winnipeg North Centre will have a right to reply, but that time has not come yet.

Mr. WOODSWORTH: It is not a case of having a right to reply.

Mr. MacNICOL: I will continue, because my time is limited.

Mr. WOODSWORTH: It is not a question of the right to reply; it is a question of maintaining my honour at this time.

Mr. SPEAKER: The hon. member's honour is not at stake and has not been questioned in this debate.

Mr. MacNICOL: The hon. member is quoted as having made this statement during the course of the same address:

"It is absurd for the Senate, a body without responsibility, to veto measures passed by the elected representatives of the people," he declared. Assailing the capitalist system, he urged his hearers to be ready with practical solutions for some system to replace it as it crumbled.

Well, the capitalist system is not going to crumble; it is going to remain right in existence. Now I hope the hon. member for Southeast Grey (Miss Macphail), whom I intend to quote next, will not challenge the statement I am about to make. The hon. member also went to East Toronto and spoke to the East York workers in the R. H. McGregor school on Saturday afternoon, February 11 of this year. According to the Mail and Empire of February 13, among other things the hon. member said:

The C.C.F. was trying to establish a new social order, she said.

The old one surely would have to be destroyed before a new one could take its place. I continue quoting:

The House of Commons is the place where we must enter—I almost said capture. If every member of the house were a free citizen—

I suppose we must all be slaves.

—voting on what seemed to him best, we would not be in the mess we are in.

Now listen to this, Mr. Speaker:

Canada has the least liberty of speech and action of any country.

As a Canadian I am proud of Canada. People are as free in Canada as in any other country in the world, bar none.

Miss MACPHAIL: May I just say that up to this point the report—

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: I am going to assist the hon. member.

Mr. SPEAKER: Is the hon. member for Southeast Grey (Miss Macphail) raising a point of order? If not she has no right to interrupt the hon. member who has the floor.

Miss MACPHAIL: There is one error—

Mr. SPEAKER: I must ask the hon. member for Southeast Grey to maintain order. She has no right to interrupt, unless it is to ask a question with the consent of the member who has the floor, or to raise a point of order.

Miss MACPHAIL: I was just going to say—

Some hon. MEMBERS: Order.

Mr. MacNICOL: Let me repeat what I said before I was interrupted. As a Canadian I am convinced that Canada's institutions and our right of free speech are second to none, despite anything the hon. member for Southeast Grey has to say to the contrary. I am a Canadian of the fourth generation, and I am proud of it. I think it is a very strong statement to make to say that Canada has less freedom of speech than any other place in the world. I will quote the exact words again, so that I may not be called to order:

Canada has the least liberty of speech and action of any country.

That means that in Afghanistan, Baluchistan and all the other "stans" of Asia, as well as in Russia, there is greater freedom of speech and action than we have in Canada.

Miss MACPHAIL: Mr. Speaker, may I say—

Mr. MacNICOL: I said a moment ago that I was going to endeavour to link up this propaganda with Moscow.

Miss MACPHAIL: On a point of order, Mr. Speaker, the last quotation given by the hon. member is inaccurate. I said the members of the House of Commons in Canada had less freedom than existed in any British parliament in the world.

Mr. SPEAKER: The hon. member for Southeast Grey is not in order in making that remark.

Mr. MacNICOL: The newspaper report does not agree with what the hon. member for Southeast Grey just stated. Let me repeat the last sentence quoted in the newspaper:

Canada has the least liberty of speech and action of any country.

Now I must hurry on, because I want to connect up these various organizations and I will leave it to the house to decide whether they are lawful or unlawful. I will leave it to the house to decide whether the speeches delivered before these organizations, some of which I am going to read, are lawful or unlawful. I will leave it to the house to decide also whether this propaganda is connected with the communist international in Moscow. The first is the Workers' Unity League, and in the worker's pamphlet No. 4 at page 15, I find this:

In conclusion, the party of the workers must be built up. The communist party stands today as the only party true to the principles of socialism and the class struggle. The duty of every worker and poor farmer who reads this pamphlet and who agrees with its political messages is to take his place in the ranks of the party and provide a leadership for the struggle for socialism.

Organization is the key to struggle. The building of unemployment councils, militant labour unions, opposition groups in the reformist unions—these are tasks that can only be carried out by an organization of the type of the Workers' Unity League.

This organization is associated with the communist international with headquarters at Moscow.

The Farmers' Unity League is hooked up in the last sentence of the same article, which reads:

The Farmers' Unity League stands as the militant leader of the poor farmers.

This organization is associated with the Workers' Unity League. The National Unemployed Workers' Association is referred to on page 6 of The Party Organizer, as follows:

One of the principal tasks facing the party at this time is to sink the roots of the party among the masses. In order to do this, we are confronted with building shop committees of the Workers' Unity League, the cores of the revolutionary industrial unions in the factories, and the organization of local councils of the National Unemployed Workers' Association.

This is a communist organization which according to this pamphlet, receives inspiration from the communist international at Moscow. The next is the Canadian Labour Defence League, which is referred to in The Frame-Up on Allan Campbell as follows:

The Canadian Labour Defence League issues this pamphlet, not only as an exposure of the sharpening terror in Vancouver, but also to inspire the workers generally with the courage exhibited by comrade Allan Campbell and to serve as a lesson to revoluntionary workers how they can defend themselves in capitalist courts.

And on page 2:

—the "sedition" and "deportation" laws must be opposed by every worker and poor farmer.

That is what we are having, an agitation to change the law so that there will be an opportunity afforded to preach sedition and violence without obstruction. The next is the F.S.U., and I am sorry I cannot give the house the full name of this organization. It is referred on page 13 of The Party Organizer as follows:

The worker may be ready to join one of the mass organizations like the Canadian Labour Defence League or F.S.U.

I am informed that this means Friends of the Soviet Union. The next is the Mine Workers' Union, which is referred to as follows:

The results of the referendum, through which the miners of Alberta expressed their determination to join the fighting front of the Workers' Unity League is of tremendous importance. This decision makes possible to extend the revolutionary leadership among the Alberta miners, and through burning out in the fire of daily struggles the remnant of Wheatleyism make the Mine Workers' Union of Canada the base for the struggle for one all-inclusive oil, mine and smelter workers union of Canada.

That is another communistic organization. Another is the Needle and Lumber Workers Union. I shall not quote the reference which is made here. The Christian Social Order, I believe I read, held a demonstration in Toronto quite some time ago. One of their beliefs is:

That the achieving of a Christian Social Order would entail the socializing of the organized agencies of production.

Then we have the W.E.C., F.B.L., R.I.U., and N.U.A.

An hon. MEMBER: Any other combinations?

Mr. MacNICOL: I think the minister should investigate the objective of these various organizations. The National Unemployed Workers' Association held a meeting in the Queen Street United Church. I might mention that the church was not associated with the meeting other than permitting the use of its hall. The report of the meeting does not associate the church with these activities. This meeting was reported in The Worker of May 16, 1931, as follows:

Starting by singing the "International," the meeting was thrown open to free discussion, and one speaker after another condemned the

church as an opium vendor, demanded non-contributory unemployment insurance and urged the workers present to join the National Unemployed Workers' Association. The first speaker declared, "what we want is an international soviet union."

It might be well to quote from some of the songs which were sung or distributed at that meeting. The first is the International, which goes as follows:

Arise, ye prisoners of starvation,

Imagine, this is in Canada.

Arise, ye wretched of the earth.

One would almost think they were speaking of some downtrodden European country forty or fifty years ago.

For justice thunders condemnation,
A better world's in birth.

We have heard a good deal about that in the last two months.

No more tradition's chains shall bind us,
Arise, ye slaves, no more in thrall,
The earth shall rise on new foundations,
We have been not, we shall be all.

When it is all over, it will be found that the institutions of Canada will continue to go along just as usual. The chorus runs like this:

'Tis the final conflict,
Let each stand in his place,
The international soviet
Shall be the human race.

The international soviet will never wave its flag over this grand old Canada. The next song was The Red Flag, which runs as follows:

The workers' flag is deepest red,
And shrouded oft our martyred dead,
And ere their limbs grew stiff and cold,
Their hearts blood dyed its every fold.

To hear this song, you would think that there was nothing but violence being carried on in this country. The chorus reads:

Then raise the scarlet banner high,
Within its shade we'll live and die,
The cowards flinch and traitors sneer,
We'll keep the red flag flying here.

As yet it has not been up and I do not think it ever will be. The next song is the Red Army March. It runs as follows:

Comrades, the bugles are sounding,
Shoulder your arms for the fray,
Boldly we'll fight for our freedom,
Bravely we'll hew out a way.

Born in the ranks of the workers,
Whose toil scanty wage must suffice,
Brotherhood, unity, freedom,
This is our fighting device.

This is the type of song sung at these meetings.

An hon. MEMBER: And in a church.

Mr. MacNICOL: Yes, but, as I pointed out earlier, the church had nothing to do with it.

During the recent municipal contest in Toronto, several candidates were contesting the ward in which I live and part of which I have the honour to represent here. An article in the Toronto Telegram of December 29, 1932, refers to three of these candidates as follows:

Three of the candidates, members of the United Front Party and endorsed by the Cooperative Commonwealth Federation and self-avowed socialists, were the speakers most popular of the evening.

Mr. WOODSWORTH: Mr. Speaker—

Mr. MacNICOL: If the hon. member wishes to do me justice he will remain in his seat and allow me to finish my remarks.

Mr. WOODSWORTH: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. MacNICOL: One of the candidates was asked the following question:

Why is all the world in such a bad state of affairs?

And his reply was:

Because capitalism is in the saddle. We will have a revolution here as in Russia (I did not want to name Russia but I must), but I think it will come in a different way.

At many of those meetings in Toronto where these candidates were speaking, they were supported by groups of avowed socialists who, after these candidates had made their speeches, prevented other candidates for the city council or the Board of Control of Toronto, who wished to discuss the issues of the day, from speaking. In other words, the very advocates of free speech prevented free speech on many platforms during the municipal election in Toronto.

I should like to read what His Grace Archbishop McNeil says with reference to clean speech. His Grace, as reported in the Toronto Globe of June 22, 1931, spoke as follows:

The message given the Holy Name Society on Sunday by His Grace Archbishop McNeil is one which should cause people of all denominations to think. "If ever there was need for promoting reverence," he said, "it is in our day. To-day wide-spreading organizations exist in Canada, the United States and England to encourage atheism. There are even schools of atheism in this country. And the largest country in Europe has adopted atheism as its public policy."

It seems to be a fact that the forces operating against the spirit of reverence are more active and determined than those promoting it.

There are such organizations as the archbishop referred to, including the communistic schools, directly interested in wrecking the bulwarks of spiritual thought by spoken and written speech and evil example. In addition there is the insidious campaign of those who would give rein to atheistic doctrine in the name of "free speech." The former are conducting the "drive"; the latter is breaking down resistance. Where is the defence organization that has at its back the might of right, "the faith of the fathers," and the knowledge of a righteous cause?

I want to close just with this: I am in accord with maintaining on the statute book section 98 of the criminal code, and I shall support the amendment moved by the minister of justice. While I have been in the house I have heard those who assume that they represent labour, speak on many occasions. I have been associated with labour for twenty-five years and I yield to no one as regards the rights of the working man. I am convinced that organized labour in this country and in the United States deserves a great deal of credit for what it has done and what it proposes to do in the way of alleviating the condition of the working man, and on every occasion that organized labour advocates something for the betterment of the working man, I shall support it if I believe it is wise and just. Organized labour has been quoted as being in favour of the repeal of section 98. Let me say that organized labour is opposed with all its might to the preaching of violence and armed upheaval, because labour men would be the first to suffer and would suffer longest and hardest as a result of any armed upheaval. I would not be so much opposed to agitations of this kind if, when parades were organized and marshalled to bring about violence and armed uprisings, the paraders would seize the leaders who led them astray and would march them at the head of the procession, so that those leaders would be the first to suffer from the advocacy of violence and armed upheaval.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, it was my privilege a week ago to-morrow night to address a large congregation in Donlands church which is near the McGregor school in East York. I was invited by the Reverend Mr. Irwin, the pastor of the church, to give an address, I was introduced by Doctor Salem Bland.

Some hon. MEMBERS: Oh, oh!

Miss MACPHAIL: I said there that I respected my colleagues in the house, but I am afraid, after the laughter at the mention of Doctor Bland's name, I shall have difficulty in doing so in future. As I said, I was introduced by Doctor Salem Bland. I made practically the same speech as I made the following afternoon at McGregor school. The school, I may say, was crowded. I congratulated the school board in allowing, though I could never understand why it should be a case of allowing, the taxpayers in that school section to use the auditorium for public meetings and discussions. The minister of Donlands church, and the East York Workers' Association, almost all of whom were unemployed, could have selected their own member to address them. I did not ask them to invite me. Possibly their own member had better do some heart-searching to find out why he was not asked. I do not know why he was not.

As regards the subject to which the Mail and Empire was referring when I was reported to have said that there was less freedom of speech in Canada than anywhere else, the question I was discussing was freedom of action of elected members in the House of Commons, and I said that in the British House of Commons there was much greater freedom and that when a cabinet minister was not pleased with the action of his government, and when the action taken by his government was contrary to his personal convictions, he asserted his position as an indivdual, was true to his convictions and showed this by resigning from the cabinet, something that practically never happened in this country. I went on to say that what I believe constitutes one of the real difficulties of government in Canada is the slavish adherence in this house to parties. I said—and am afraid I cannot say it again—that I respected my colleagues in the House of Commons and that I believed if they were free individuals, free first to think, then to discuss and finally to vote on the merits of questions as they arose in this chamber, we would have very much better legislation than we now have and we would have avoided some of the great difficulties into which we have fallen. I still say that, and if the hon. member for Toronto Northwest (Mr. MacNicol), who has just spoken, means that in our speeches we must defend everything as it is, may I say that I do not intend to do so. It is a long time since I decided that the upper house was of very little use to Canada. The hon. member who has just resumed his seat may disagree with me. That is his business, but I do not propose he shall tell me what I shall think, and for the hon. member to try to link up, as he did quite definitely in his speech, those of us who go out to speak in school houses, churches and public halls, on the economic

condition and the need of constitutional reform—radical and fundamental, but constitutional—with communists, that just brands him for the excellent Tory he is. We are not communists, and I may say that the heckling that we receive comes from the communists who hate the hon. member for Winnipeg North Centre (Mr. Woodsworth), myself and others associated with us more than they do anybody else, because we, by striving to bring about reforms constitutionally, stand between the communists and the violence they desire. The people who are aiding the communists most are the very ones who are afraid of them, and who will not consider any changes at all, but insist upon retaining such repressive measures as section 98 of the criminal code. They are the very ones who are helping, as I said in this house the other day, to bring about the thing they fear.

I am Canadian born, and I love Canada as much as any member who sits on the government side. My record of service in this country is as clean as that of any member in any part of this house, and I do not propose any longer to sit here and allow people to put into our mouths things that we have never said and attribute to us motives that we have never had. This business of continually trying to tie us up with Moscow is ridiculous; it is nonsense. It is a regular trick of the Conservative party. I remember when the Liberals were in power how the Conservatives were always saying that the fiscal policy of the Liberal government was dictated from Washington. Now if the financial policy of this government is not dictated by Wall street, New York, I should like to know who is dictating it. The Conservatives are always trying to tie up those opposed to them with dictation from some place outside of this country. I myself and the members of the United Farmers of Alberta and the Labour group in this house are Canadians. We are not tied up with Moscow, and never have been. We are taking no orders and no money from Moscow. May I say to the hon. member for Toronto Northwest that we are striving by constitutional methods, by the exercise of our intelligence, which thank God we possess—

Mr. MacNICOL: You will never get any money from me if you advocate that kind of stuff.

Miss MACPHAIL: I would not want your money.

Mr. MacNICOL: Then why mention it?

Miss MACPHAIL: I did not; I did not know the hon. member had any money. We are striving by the exercise of our intelligence to bring about by constitutional methods the very reforms that must come. You cannot stop reform. You can try. You can stupidly stand in the path of progress and do all you can to stop it, but all you can succeed in doing is to dam the thing back until it gets beyond control and then causes the very upheavals and difficulties which we all deplore and which none of us want. I hope we shall not again hear such statements as those made by the hon. member for Toronto Northwest. I have no objection to the government members and the Liberal members fighting us on the merits of any question, but to intimate, as the last speaker did all through his speech, that we are closely associated with communists in this country is simply laughable, and may I add that I think the hon. member is not doing himself or his party any good. The people of Canada know that the Conservative party has no corner on Canadianism, that it has no corner on loyalty to this country, that it has no corner on a desire to serve even though it means sacrifice, and it is about time the Conservative party realized that. They have waved the flag and prostituted patriotism as no other group in Canada ever has done—we have heard it until we are sick of it—and when the flag won't do they take the Bible and wrap their policies in both, hoping the people will then stomach them, and it is sometimes all they can do. We have listened to altogether too much of that sort of thing.

I am going next week-end to Toronto to address an audience in a school auditorium, having been invited by a man who has about ten letters after his name, whatever they stand for, and who is as good a citizen I presume as the member who has just sat down, and if you care to hear what I have to say, come if you want to. But do not quote a paper like the Mail and Empire, one of the most partisan papers in Toronto, and one that is now spending a great deal of money to try to increase its subscription list. I suppose as the number of Conservatives in the country declines, so do the subscriptions of the Mail and Empire.

I do not very often protest so heatedly, but this thing has gone so far that even respectable members of the house like the hon. member for South Toronto (Mr. Geary) and the hon. member for West York (Mr. Lawson) are getting up and seriously saying these things which men of their intelligence must know are not true. They are intelligent men; I will say that for them. Instead of abuse, why not meet the issue on its merits? I

think that this game of misrepresentation has been played too long in Canada, and I do not think that it will deceive the people again. That is all I care to say at the moment.

Mr. W. J. LOUCKS (Rosetown): I had not intended to take part in this debate, but some of us back benchers have been so frequently charged with being afraid to get up and express our views that I feel I must say a few words in regard to section 98 of the criminal code.

I want to inform the hon. member for Winnipeg North Centre (Mr. Woodsworth) that it was my privilege last summer on the twelfth of July to introduce a resolution approving of section 98. I suppose I shall be condemned as a loyalist for having introduced it on the twelfth of July, but I do not apologize for that. The resolution was presented at a picnic attended by at least three thousand people in the constituency of Rosetown, and most of them were farmers. The resolution endorsed the action of the government in retaining section 98 of the criminal code, and recommended that under present circumstances the section should be retained. That resolution was passed unanimously, with not a dissentient voice, and as I said, a large proportion of the people present were farmers. We are passing through a severe depression, and it is necessary that we meet in an orderly and constitutional way, difficulties as they arise. I think that that is the attitude of the farmers not only of Rosetown constituency but of western Canada. I believe that if hon. members of the party in the far corner of the house would do a little more to help solve the problems of the farmers of western Canada and come to their relief instead of talking so much about the elimination of section 98 from the criminal code, the Cooperative Commonwealth Federation might receive better support than it is getting. I am convinced that our friends in the far corner are doing themselves no good in western Canada.

I was in the court house at Kingston yesterday when four of the convicts from Portsmouth penitentiary were brought in for examination, and I notice that the Ottawa Journal of this evening has this to say:

> Three more convicts of Portsmouth penitentiary, making 18 in all who have been sent up for trial, were committed by Magistrate J. M. Farrell in county police court to-day. All are charged in connection with the penitentiary riots of last October.
>
> Further hearings were adjourned to-day until Monday. Prominent in the trio facing trial to-day was Albert Dorland, whose claim of being "framed" by Toronto police brought police commissioners from that city two weeks ago to interview him. Dorland is serving a five-year term for possession of firearms.

[Miss Macphail.]

> Murray Kirkland, who figured in a sensational bank robbery in North Toronto three years ago, when $10,000 was dropped by the bandits and recovered by a child, was the second committed.
>
> The third was Robert Spinks, sentenced in Sarnia in 1927 to a 20-year term for a serious offence.

The caretaker of the court house informed me that three of the men were born in Russia, and I presume from the names that it was these three Russians who were committed for trial.

The Minister of Justice (Mr. Guthrie) the other night, in addressing the house, said that if ever there was a time when we should retain section 98 in the criminal code, that time is now. As a member from western Canada I feel I am voicing accurately the sentiments of people in that part of Canada. It is alarming to me to hear some hon. members, and especially the hon. member for Southeast Grey (Miss Macphail), who unfortunately has left the chamber, state that some of the back benchers dare not say a word for themselves. Last fall we were subjected to the same criticism. We came to parliament last fall to ratify treaties, and some hon. members made an effort to economize and not to take up too much time in debate. That has been my attitude since my appearance in this House of Commons. I believe the pros and cons on each subject are placed fully before this chamber, and for that reason as a new member I hesitate to make lengthy statements. The hon. member for Winnipeg North Centre must be familiar with the resolution passed last July 12, because I met him on the same ground a few years ago. When I tell him it was passed at Crystal Beach, Saskatchewan, he will be familiar with part of the country to which I refer.

I do not wish to take up much of the time of the house, but I should like to add that the people in my part of the country are behind the government one hundred per cent, and we contend that section 98 should remain in the criminal code. Of course we have our troubles in that section of the country. I could mention other things I should like to have done, but at a later point in the session I shall outline them. I could not help but resent the challenges of the hon. member for Southeast Grey when she referred to the loyalty of our people. I have always boasted that I was of Empire Loyalist stock. I am proud to think that there were people who had the courage to come into this country, cut away the bush, build shanties, and, as their next move, put up little churches. That fairly well describes the type of people who

came out here, and it is characteristic still of the people of the west. I can only say that heredity must have something to do with the spirit of our people, and I could not sit in my seat in this House of Commons and hear criticism levelled at them of the kind that has been made to-day.

On December 28, a gentleman from Regina, a Mr. Coldwell, came to our constituency, and on that occasion he spoke in terms similar to those employed to-night by the hon. member for Southeast Grey. He intimated that last August he had occasion to travel through British Columbia, and that while his train was stopped at Banff he got out and ascended a certain hill. At that particular moment a short freight train was passing through a tunnel and as it emerged from the tunnel Mr. Coldwell counted 206 transients riding on it. When he had completed his remarks I got on the platform and asked this question: "Would you believe, sir, that those 206 men, or most of them, had probably got on that train before the harvest started; in other words, that they wanted to get out of our country before the work started?" I told him to go on to Rosetown and he would learn from the people of that place that when the harvest started men had jumped on a freight train and migrated to British Columbia. I am not suggesting that all labouring men are of that type, but I do want to say in all fairness that I cannot believe that labour and farmers can harmonize; they cannot do it.

Some years ago I employed some men on my farm who sat in their tents at nights and sang hymns out of red-backed hymn books. I would pass by their tents after the day's work was over, and after I as their employer had done as big a day's work as any of them. I would hear them saying in effect: "Isn't that farmer an awful fool?"—calling me by name —"Isn't he eager to get rich? Look at the way he works his wife to feed us." Then they would say: "Some day everything will be equal; we will all get the same. Some day we will visit his farm and take away his pigs and his steers." At that time I was paying some of those men as high as $7 a day. What happened? I was forced to buy combines because their wages were so high. I can remember one occasion when some of the men I had hired put a coil of soft wire in a stook, undoubtedly for the purpose of ruining some of my machinery.

Some such men are still travelling up and down this country on trains. Even to-day they try to hold us up for $5 a day when we are receiving only 25 cents a bushel for our wheat. I want hon. members to realize I am in sympathy with the labouring man. I know labourers are not all of the type I have described, but there is a certain element which would like very much to rule the country, and their attitude has been apparent for some years.

May I say again that while I have not spoken on many occasions in the house, certainly nobody has been restricting me. In this particular I believe I am speaking the minds of all back benchers. I am not anxious to have my name in Hansard; I am not looking for publicity. The people of my constituency were good enough to elect me to this House of Commons, and I am not worried about the future. I will stick to the people of Rosetown constituency who still have faith in me, whether or not I have my name in Hansard every day, or frequently take up several hours of the time of the house.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I am not greatly interested in comic opera revolutionaries or would-be comic opera dictators. I intend to present what I consider to be a purely trade unionist viewpoint concerning the bill before this house. By heritage and conviction I am a trade unionist. Since my return from the war I have attended most of the conventions of the Trades and Labour Congress of Canada. Without equivocation I wish to state clearly that I am absolutely opposed to the philosophy and tactics of communism. I believe I can agree with some hon. members when they state that communism is absolutely foreign to the mental make-up of Canadians and the Anglo-Saxon people. I have always taken the stand that no person has a right to enter this or any other country where democratic institutions exist and preach the forceful overthrow of those institutions. It is pure logic that those democratic institutions should protect themselves, and I believe my views in this connection cannot well be controverted.

I listened with a great deal of attention to the remarks of the Minister of Justice (Mr. Guthrie). It is my view that the present government is responsible more than any other force for the existence of the communist party in Canada. I make this statement because of my practical experience, and because of my knowledge of the methods used by the communist party in Canada in their effort to destroy the trade union movement. Men active in the labour movement have possibly received more criticism, I suppose, than the members of the government from that direction. They call us labour fakers and apply to us all the adjectives they so commonly use in respect to the responsible labour leaders

not only in this country but in every country where the communist organization functions. I want to point out, in a very practical way, that the position taken by the government in declaring the communist party an unlawful organization has driven it underground; they have a different name almost every week for their different local organizations, and in my judgment this supports the contention of the hon. member for Quebec East (Mr. Lapointe) that in the final analysis the best attitude to adopt is absolute freedom of speech. I say that from my own practical observation. Last May day in Hamilton these chaps wanted to hold a meeting in one of the large parks. They were refused permission. Everyone was on hand to see the fun; there were about fifteen thousand people. The firemen turned out and laid the hose in case of emergency. Someone threw a brick at one of the firemen; the water started, and the fire and police departments made enemies of those innocent bystanders.

Not so long ago when I was in Detroit I saw an anarchist holding forth in what I think they call the grand circus there. He was raising cain about everything in general—the mayor of the city, the responsible government officials in the state and federal assemblies. About a thousand people were listening. So I say, as a result of my practical experience in contact with different individuals representing various viewpoints both on the left and the right in the labour movement of this country, that it is far better to have complete freedom of speech. Apart from the principle I think it is the most practical thing to do.

We of the trade union movement have taken the attitude that we are not interested in the expression of opinion or even the guarantees of members of parliament in this regard. They are not the ones who sit and interpret the law. We cannot rest content even with a guarantee from the Minister of Justice. Arising out of our struggle for existence, almost within the lifetime of some in this chamber men were deported simply for belonging to a trade union. The trade union movement has gone through a continuous struggle to maintain its existence as an instrument in the upbuilding of the social status of the great bulk of the working people that make up the industrial life of this country and of Great Britain where the movement had its inception.

The ex-Minister of Justice (Mr. Lapointe) quoted from the record of the Trades and Labour Congress at its last convention in the city of Hamilton. A resolution passed by that body called for the repeal of section 98 of the criminal code. I was a member of a delegation which on January 27, in this city presented a brief through Mr. Moore, the president of the congress, stating that in their opinion section 98 of the criminal code is too wide in its application and unduly restricts freedom of speech. In 1920 the congress was so alarmed at the implications of this section that they went to the trouble of getting legal opinion. That position was unanimously adopted by the congress in session in Windsor, Ontario, on September 30, 1920. I would like to read this into the record, because it gives clearly the attitude of the responsible trade union movement of this country towards this particular section. It says:

As to conspiracy itself, Wright in his book on Criminal Conspiracies, says: "No intelligible definition of conspiracy has yet been established." The Hon. Edward Blake, in 1890, while discussing, in the House of Commons, the subject of the protection of trade unions from prosecution as conspiracies in restraint of trade, called it the "obnoxious law of conspiracy."

A conspiracy is an agreement to do an unlawful act, or to do a lawful act in an unlawful way.

Before closing the subject, I should direct your attention to the amendments of 1919. I have already referred to the repeal of the provision declaring what was not to be deemed seditious. There has been added a section (97b) as follows:

"Any person who prints, publishes, edits, issues, circulates, sells, or offers for sale or distribution any book, newspaper, periodical, pamphlet, picture, circular, card, letter, writing, print, publication or document of any kind, in which is taught, advocated, advised or defended, or who shall in any manner teach, advocate, or advise or defend the use, without authority of law, or force, violence, terrorism, or physical injury to person or property, or threat of such injury, as a means of accomplishing any governmental, industrial or economic change, or otherwise, shall be guilty of an offence and liable to imprisonment for not more than twenty years."

Further subsections deal with the circulation of such enumerated documents by mail and with the importation of them. While the word "seditious" does not appear in the section, the side note reads: "publishing, etc., seditious books, etc."

The penalty for speaking seditious words was, under section 134, limited to two years. The two years limitation has been done away with and the imprisonment may now be as high as twenty years.

I add, also, the new section with respect to "unlawful association."

"Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force, violence, terrorism or physical injury to person or property,

or threats of such injury, in order to accomplish such change, or for any other purpose, or which shall by any means prosecute or pursue such purpose or professed purpose, or shall so teach, advocate, advise or defend, shall be an unlawful association."

Provision is then made for seizing the property of unlawful associations and for prosecuting its officers and members, and punishment is provided for wearing its badges etc.

The attention of the congress should be directed to the words "force" and "terrorism," in the above sections, coupled as they are with the words "industrial or economic change."

The use of these words leaves the door wide open for the prosecution of every trade union in Canada. If "force" is intended to mean "physical force" it should be so stated.

## ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: The business of the house to-morrow will be the items on the order paper, and supply, national defence, agriculture, railways, justice and trade and commerce.

Mr. MACKENZIE KING: In the votes and proceedings of February 15 there is an item at the bottom of page 227 under the heading "Erratum", with regard to adjustment of war claims. This item carried in committee on the fourteenth. My recollection is that in the course of discussion on the item I asked the Minister of National Defence where we could get the information we desired with respect to an appropriation of $500,000 in the previous year which was not to be renewed. The minister replied that we could obtain it from the Secretary of State when we came to his estimates, but there is no place in the estimates of the Secretary of State, so far as I can see, where we could bring up that item. I should like to ask the Prime Minister if it can be understood that we may return to that item for the purpose of getting any information we wish if we allow this matter to go as having been passed. Otherwise we shall have to get the information in some other way.

Mr. BENNETT: I was in the chamber when the incident to which the right hon. gentleman refers took place. and I recall the reply of the Minister of National Defence to the question asked by the right hon. gentleman. It is true that the Minister of National Defence would not be in a position to deal with the particulars of that item, which would fall within the duties of the Secretary of State. If it will suit the convenience of the right hon. gentleman I will arrange that when the estimates of the Secretary of State are under consideration this item will be discussed. Will that be satisfactory?

Mr. MACKENZIE KING: I wished to make sure that we would have that opportunity, because I could not find any place where this matter could be taken up under the estimates of the Secretary of State.

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

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# Friday, February 17, 1933

The house met at three o'clock.

## BRIGHT FAN INQUIRY

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I understand that the investigation into the sinking or scuttling of the British freighter Bright Fan in northern waters has been completed by the British Board of Trade. Has the report of this inquiry been received, and if so, when will it be tabled?

Right Hon. R. B. BENNETT (Prime Minister): So far as I know, the report has not been received and so far as I am aware there is no obligation to table the report of another government; that can be done only with their permission.

## WORLD ECONOMIC CONFERENCE

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): The other day I asked the Prime Minister whether the agenda of the World Economic conference was available. He said that copies had been published by the League of Nations. Is it possible for members of the house to secure copies of the agenda and further, will the house be given an opportunity of discussing it during the present session?

Right Hon. R. B. BENNETT (Prime Minister): I explained to the hon. gentleman the other day that a draft copy, published by the League of Nations, of the proposed World Economic and Monetary conference, had been received, but that there were not sufficient copies for distribution purposes. As far as discussing the contents of the agenda is concerned, the agenda was decided upon by the representatives set up by the League of Nations and at the moment I do not know of any reason that it should be discussed. I shall give further consideration to the matter, but I had not thought there would be any discussion of that agenda.

## WESTERN FREIGHT RATES

REDUCTION OF DOMESTIC RATES ON GRAIN AND GRAIN PRODUCTS

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Minister of Railways. The other day, in speaking on the question of freight rates, he intimated to the house that a suggestion had been made by the railways to the western provinces whereby the domestic rate would be reduced 50 per cent of the differential between domestic and export rates. My question is this: Is the rate in effect now, or are the railways awaiting a reply from the Minister of Railways as to whether this suggestion meets with the approval of the provinces?

Hon. R. J. MANION (Minister of Railways): The rate is not in effect now. The submission has been put by me to the four western provinces and I have received from two of them acceptances of the proposition. This morning I sent telegrams to the other two telling them I had already received acceptances from the others concerned and asking them to hurry their replies. As soon as I receive the replies of the other two western provinces, I shall immediately take proper steps to have those rates put into effect, but I cannot move until an acceptance has come from at least one and preferably both of the other two western provinces. I think it would be better to wait for all the replies.

## UNEMPLOYMENT INSURANCE

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): Before the Christmas recess the Prime Minister was good enough to make a statement about the policy of unemployment insurance. Can he give any information on it now?

Right Hon. R. B. BENNETT (Prime Minister): The hon. gentleman, with his wide experience, knows, I think, how idle it would be to ask, without notice, for a statement on a matter of that kind.

## TRADE RELATIONS WITH RUSSIA

PROPOSED EXCHANGE OF CANADIAN CATTLE AND OTHER COMMODITIES FOR RUSSIAN PETROLEUM AND OIL

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): I was not in the house when the order for motions was called. I should like to ask the Minister of Agriculture whether he tabled the correspondence he said he would table?

Hon. ROBERT WEIR (Minister of Agriculture): The correspondence asked for in the motion is one dealing with different departments and such correspondence is tabled by the Secretary of State.

Mr. VALLANCE: May I ask the Secretary of State when we may expect it? I notice the Prime Minister stated last night that we might take up the estimates of the Department of Agriculture to-day.

Mr. BENNETT: So we shall.

Mr. VALLANCE: I would like to have the correspondence before that is done.

Mr. BENNETT: The resolution was adopted the other day after it had been pointed out that what was involved would necessitate the transcription of, I fancy, at least 100 messages that have gone to various departments. In accordance with the system that has been observed in this country the practice is for the Secretary of State's office to send a copy of the resolution to each department. The departments then send to the Secretary of State copies of the documents and then the Secretary of State presents the return. The other day I pointed out that had the resolution been limited to the correspondence that took place with the Department of Agriculture, the return was ready to be made. Notwithstanding the fact that this would be only a partial return, perhaps the best course to pursue would be to table copies of that correspondence so far as it goes. The rest of it is purely informal, I would think, consisting of telegrams sent by people who did not know anything about the matter but who had read something about it in the papers and had been asked to send telegrams. The tabling of these messages will not help beyond showing that there were ten, twelve or fifteen telegrams received. I shall endeavour to see that the correspondence with the Department of Agriculture is tabled without delay. If it is ready now, I shall try to see that it is tabled before this evening.

## GRADING OF HAY AND STRAW

Hon. ROBERT WEIR (Minister of Agriculture) moved the second reading of Bill No. 22, respecting the inspection and grading of hay and straw.

Mr. A. W. NEILL (Comox-Alberni): Before the second reading passes, I should like to say a few words, Mr. Speaker. It will be noticed that this bill makes a distinct change

in policy. In the previous bill the regulations regarding hay and straw were in the bill itself. It is now proposed to put into the hands of the minister power to make regulations. I see no occasion for that. It is just another case of which we have seen so many examples in the last ten years, of taking power away from parliament and putting it into the hands of a department, no matter how able its officials may be. I have very great respect indeed for the officials of the Department of Agriculture, but I have noticed over a period of years one peculiarity in their point of view, and that is that they adopt the policy of making the penalties very extreme for any infraction of the rules and regulations which they make. They appear to go on the principle of the Turkish sultan who made it his boast that, when he found a baker selling bread of short weight, he ordered him put into his oven and baked, and he claimed that that stopped that particular crime. But that is not the method we adopt in more civilized countries. But there is this tendency by the officials of the Department of Agriculture to make the penalties for any infraction of their rules and regulations very severe, and for that reason I should like to see the regulations framed by the house and not by officials only.

I also notice that the explanatory note, in setting out why this legislation should be passed, says that the grade standards for hay that were serviceable twenty-five years ago when the principal demand for baled hay was for the feeding of horses in cities need to be revised. I would point out that it is not twenty-five years ago; it dates back only to 1918, when the present grade standards for hay were established. The act was amended and thoroughly revised, and the present grades were established in 1918. Now 1918 is a good deal nearer than twenty-five years ago, and I think we might expect a little more accuracy in the explanatory note.

The explanatory note also says that baled hay was principally used up to that time for the feeding of horses. Well, they are not going to feed motor cars with baled hay even now, and I suppose that if it was good to arrange a grade of hay for feeding horses in 1918, the relationship between hay and horses is very much the same even now.

Take one of the present grades:

Prime timothy shall be pure timothy, perfect in colour, sound and well cured.

That was the grade established in 1918, and is there anything wrong with that now? Has anything happened in the last fifteen years, not twenty-five, to require a change in that grade?

The minister also takes power under paragraph (c) of section 3 to prescribe the places where, and the conditions under which, hay and straw shall be inspected. Suppose I am baling my hay and straw and that I am getting a horribly low price, and I discover that it has to be inspected at a point fifteen miles away from my home or where I am baling it. That would be a very serious handicap to my doing business.

The explanatory note also says that there have been urgent requests for the repeal of the existing grades. I should like to hear where those urgent requests came from. In these days when it is so difficult to do business at all, and more difficult still to do it at even a minimum of profit, we should mark time for a while rather than introduce new regulations which, however desirable in themselves from the point of view of an official, are calculated to hinder business. Let the wretched farmer, if he can, get a sale for his baled hay and straw, and sell it under the conditions which have been in effect for the last fifteen years. I would ask the minister—I suppose he cannot speak now—to take notice of my suggestion that these regulations should be passed by the house and not be left to the officials.

Hon. W. R. MOTHERWELL (Melville): The information given the house thus far by the Minister of Agriculture (Mr. Weir) has been very meagre, and I trust that before the bill passes he will amplify it somewhat.

This bill, or a somewhat modified one, should have been passed many years ago in Canada. One was introduced in 1928 or 1929, but a very much different bill, and it was opposed so strenuously by both wings of the then opposition that it was let die on the order paper. Just previous to that, a good many bills of a similar nature providing for the standardization and grading of farm products had been introduced by the then government, but the house seemed to think that we were going too rapidly in that direction. I am afraid that some of my colleagues thought the same, because they were quite satisfied to let the bill go by default, and I think maybe they were right because we were going perhaps a little rapidly. But I am glad to see that the minister is following in our footsteps, in that respect somewhat hesitantly, but nevertheless following.

As the hon. member for Comox-Alberni (Mr. Neill) has pointed out, this is rather an arbitrary bill, and it may seem strange that I am rather disposed to approve of it, but the bill must first be modified by explanations or otherwise in order to remove its arbitrary

nature. I hope the minister in his explanation will be able to satisfy the house on that point.

We have some five or six provinces which are concerned in the selling of hay, the maritimes, Quebec, parts at least of Ontario, part of Alberta, and there is a little selling in British Columbia, and then there are two other provinces of Manitoba and Saskatchewan which are concerned in the buying of hay. All these provinces either as sellers or buyers are interested in the grades of hay, and I would suggest to the Minister of Agriculture that he follow the example of the government of 1906, not a bad one to follow in many respects, and consult with the provincial Ministers of Agriculture in the various provinces, whether they sell hay or not, and get their views on any new classification of hay, before being adopted by the minister. I remember that in 1906 the new grades were submitted to the Department of Agriculture in Saskatchewan, and because we were consulted we got more loyally behind the bill.

It is a very naked bill that is before us, consisting of only three sections, and a fourth section repealing the old law. It is both naked and arbitrary, and I trust that the minister will give some explanation that will satisfy us before this bill is given its second reading. Then when it goes to the committee on agriculture we shall be able to make any modifications that are thought desirable. I am not going to oppose the second reading now because of the arbitrary nature of this bill because I think that the advice which the Ministers of Agriculture of the various provinces are in a position to give will give the minister all the direction necessary and enable us to get through a simple bill which can be modified from time to time as circumstances require, and which will also avoid the necessity of bringing these grading bills too frequently before this house.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

## EXCHEQUER COURT ACT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 26, to amend the Exchequer Court Act.

Mr. A. R. LAVERGNE (Montmagny): Mr. Speaker, I have no objection to the principle of the bill, but I am afraid when it reaches the committee stage it will have to be amended. A part of clause (2) in the bill reads:

> . . . the Exchequer court shall not have jurisdiction to entertain any action heretofore or hereafter commenced for the recovery of any sum of money paid to His Majesty voluntarily in mistake of law, if the recovery of such money might not in England be the subject of a suit or action against the crown.

This would seem to put the province of Quebec under the English common law, and when the bill comes to the committee stage I think there should be an amendment so far as the civil code of the province of Quebec is concerned.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, I believe it would be better to go into committee and have the explanations at that time, because I must say I am inclined to agree with the hon. member for Montmagny (Mr. LaVergne). I should like to hear some explanation.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Payments made voluntarily to His Majesty in mistake of law.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Chairman, as is well known the Exchequer Court of Canada was founded by a statute which is now chapter 34 of the Revised Statutes of Canada. The jurisdiction of that court is expressed in section 18 of the act as follows:

> 18. The Exchequer court shall have exclusive original jurisdiction in all cases in which demand is made or relief sought in respect of any matter which might, in England, be subject of a suit or action against the crown, and for greater certainty, but not so as to restrict the generality of the foregoing terms, it shall have exclusive original jurisdiction in all cases in which the land, goods or money of the subject are in the possession of the crown, or in which the claim arises out of a contract entered into by or on behalf of the crown.

Then section 19 sets out a specific number of cases in which the court shall have jurisdiction. As shown in section 18, the Exchequer court is founded on the law of England and, as is well known, it is a court established by federal authority and has jurisdiction throughout all parts of Canada; irrespective of provinces. The only limitation in regard to the act, so far as I am aware, is the limitation contained in section 32 which prescribes that the statutes of limitations in effect in the various provinces shall have application to all suits pending before the Exchequer court. That is the only limitation.

It so happens that from time to time claims arise against the crown for the return of moneys which have been paid under mistake of law. Sometimes when claims are made

in respect of taxes, customs dues or the like, and where litigation ensues or is threatened, the parties compromise their claims and payment is made on the basis of compromise with the government of Canada. It has happened that in respect of some claims which have been so paid, subsequently by a decision of a superior court in Canada or by a decision of the judicial committee of the Privy Council, the law under which the money has been paid has been declared to be ultra vires of this parliament. Claims then immediately arise from the parties who have paid the money claiming recovery back of the amounts they have so paid. It is a well known principle of British law that when money is paid in settlement of a claim or of a litigated matter, when there has been no fraud or no threat of any kind made, the money cannot be recovered back. It is a further principle of British law that money paid under a mistake of law cannot be recovered. The theory is that the parties were at arms length, and were advised by their friends or solicitors, that they compromised and that settlement was made. If money has been so paid under a law which subsequently has been declared to be ultra vires, or an improper law, that money cannot be recovered back.

The object of this amendment is to declare that in Canada, in actions or proceedings before the exchequer court, that common principle of British law shall apply throughout all parts of Canada, and that the law in that respect shall be general throughout the length and breadth of Canada. The effect would be that in all matters which come within the jurisdiction of the exchequer court no party will be able to set up a claim in that court that he should get his money back because he paid it under a mistake of law. That is the proposal contained in the bill.

Mr. LAPOINTE: Mr. Chairman, I am sorry I have not had time to consider this bill, which was introduced only two days ago, because in my view it is very important. If I followed the explanations of the minister it would appear that this bill would not be necessary were it not for the law of the province of Quebec. After all, the Exchequer court is given jurisdiction in matters between the crown and the subjects, but it has to apply the laws of the various provinces. In the province of Quebec we have what is called repétition de l'indû, or recovery of money paid under mistake. The proposed legislation would take away jurisdiction from the Exchequer court, and in a roundabout way apply to the province of Quebec the principle of the common law which, under the laws of the province is not applied. I would ask my hon. friend to let the matter stand in order to give me and other members opportunity to consider the question.

Mr. GUTHRIE: I will be very glad indeed to let the matter stand. But before the committee rises I think I might point out that this proposal does not come in any way in conflict with the law of the province of Quebec within that province. There are provisions in the Quebec code under which money can be recovered when paid under mistake of law, and no one for a moment proposes to disturb that provision within the province of Quebec. But the Exchequer court is a federal court applicable to all parts of the Dominion of Canada. It is not intended in any way to disturb the operation of the law of the province of Quebec as applicable to residents of that province or to any matter which arises in that province.

However, I see that the point taken is of sufficient importance and intricacy to require some study. I would move therefore that the committee rise and report progress, and ask leave to sit again.

Progress reported.

## CUSTOMS ACT AMENDMENT

Hon. E. B. RYCKMAN (Minister of National Revenue) moved the second reading of Bill No. 30 to amend the Customs Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. LaVergne in the chair.

Mr. STEWART (Edmonton): Will the minister explain?

Mr. RYCKMAN: This bill deals only with procedure or administration. The explanation of the first section is fully stated in the explanatory note. It has been found that by reason of this phrase "value for duty" not being explained and applied there is a failure under section 217 of the Customs Act. That section provides:

> Where the goods so harboured, kept, concealed, purchased, sold or exchanged are of the value of two hundred dollars, or over, such person shall be guilty of an indictable offence and liable to a term of imprisonment—

The point taken, and I think, well taken, is this, that while this subsection 3 deals with value for duty, the magistrate before whom a smuggler comes, in cases of liquor, if it is specific duty say of $7 a gallon, says that there is no value for duty. That is a specific duty. Therefore the smuggler goes free; his defence is good. We desire therefore to define "value for duty" as it occurs in this act. I

may say that the same definition of "value for duty" appears in section 85 of the Special War Revenue Act, which says:

(b) "duty paid value" shall mean the value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada under the laws relating to the customs and the customs tariff whether such article be in fact subject to ad valorem or other duty or not, and in addition the amount of the custom duties, if any, payable thereon;

So, as hon. gentlemen will see, this is just a simple amendment to clarify the law and make those answerable to it who should properly be answerable.

Mr. STEWART (Edmonton): Did the minister state that under the existing provisions of the act it was impossible to collect duty on an article, assuming it to be liquor, if the value is not over $200?

Mr. RYCKMAN: Evidently I have not made myself understood. Where one harbours or conceals or keeps goods contrary to the provisions of the Customs Act there is a penalty involved. No one cavils at the penalty, the point is that it refers to value for duty, and when the question of value for duty comes before the magistrate he says there is no value for duty when there is a specific duty.

Mr. POWER: Would the $200 enter in at all?

Mr. RYCKMAN: Not at all. No matter what the penalty is, it is a case of the smuggler going free because it has been held that unless "value for duty" is defined as we have it here or in some similar way, there is no value for duty; therefore, there can be no offence.

Mr. POWER: Are not the penalties higher if the goods are of a value of $200 or over?

Mr. RYCKMAN: This section deals with goods of the value of $200 or over. The penalty is less when the value is less than $200. But it is not a question of the value of the goods that comes into consideration now.

Mr. POWER: But would not the paragraph have the effect of bringing goods of a value of less than $200 under certain specific penalties?

Mr. RYCKMAN: No, I do not think so. I think this clause, which as I say is the same as we already have in our Special War Revenue Act, would define "value for duty" the ad valorem value of the article would be taken into consideration. Some of us have an idea of what the ad valorem value of spirits may be, and I must freely admit that in determining the value under section 217 of chapter 42 that would be taken into consideration.

Mr. RALSTON: Would the minister read subsection 3 of section 217?

Mr. RYCKMAN: I will be glad to, but for the sake of a clearer explanation perhaps I had better read subsections 1 and 2 as well. Subsection 1 is as follows:

If any person, whether the owner or not, without lawful excuse, the proof of which shall be on the person accused, harbours, keeps, conceals, purchases, sells or exchanges any goods unlawfully imported into Canada, whether such goods are dutiable or not, or whereon the duties lawfully payable have not been paid, such goods, if found, shall be seized and forfeited without power of remission, and, if such goods are not found, the person so offending shall forfeit the value thereof without power of remission.

Subsection 2 reads:

Every such person shall, in addition to any other penalty forfeit a sum equal to the value of such goods, which may be recovered in any court of competent jurisdiction, and shall further be liable, on summary conviction before two justices of the peace, to a penalty not exceeding two hundred dollars and not less than fifty dollars, or to imprisonment for a term not exceeding one year and not less than one month, or to both fine and imprisonment.

Subsection 3 reads:

Where the goods so harboured, kept, concealed, purchased, sold or exchanged are of the value of two hundred dollars, or over, such person shall be guilty of an indictable offence and liable to a term of imprisonment. . . .

As both lawyers and laymen, I think, will appreciate, the point is that it has been held that under subsection 3 of section 217 there is no value for duty when it is a specific duty. We want to correct that omission in the interests of the administration of the law. I hope this is an understandable presentation of the case.

Mr. POWER: As yet I have been unable to get the point of view of the minister. I did understand that paragraph 3 indicated that there were higher penalties for the harbouring of goods valued at over $200 than there were for harbouring goods valued at less than $200, but I do not know that the crown will improve its position by adding this definition of value for duty. The proposed section reads:

"Value for duty" means the value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada under the laws relating to the customs and the customs tariff, whether such article be in fact subject to ad valorem or other duty or not.

Does that mean the customs collector for that port would be called in by the prosecution in order to establish what would be the duty?

Mr. RYCKMAN: I would understand it to mean that the customs appraiser would value the article in question just as it would be valued if there were an ad valorem duty payable.

Mr. POWER: The minister would not consider repealing that section altogether, would he?

Mr. RALSTON: Does the minister really think it is desirable, in fixing the penalty for a criminal offence, to make it depend upon the uncertainties of assessment by the customs appraiser? No one wants to protect an offender, but it seems to me that the offender at least ought to have some sort of notice of what offence he is committing and the penalty to which he may be liable. If you use as the test of whether a man is liable to the lesser or the greater penalty the value for duty as it may be fixed by the customs appraiser under the various sections of the customs act, then it seems to me you have not been quite fair to the criminal, because he does not know and cannot tell what the penalty is. He never will know, and the court will not know until somebody comes to the witness stand, takes the book and says that for the purposes of duty the goods would be appraised at a certain figure, perhaps two or three times their real value. Would it not be satisfactory so far as the minister is concerned, and so far as the enforcement of the act is concerned, to adopt the same test that is adopted in subsections 1 and 2, namely the value of the goods? Then there is no trouble; anyone ought to know the value of the goods being harboured or kept, but if you adopt the uncertain test of the value for duty I do not think you are carrying out the principles which generally surround both the specification and the administration of criminal law, namely that there should be some certainty about it.

I wonder what is the objection of the minister, or if there really is any objection, to using the word "value" instead. I quite appreciate that "value for duty" has been in the act before, but while the minister is amending the act, and in view of the increased powers which have been given to fix arbitrary values, I would suggest that now is the time to let the value of the goods determine what penalty shall be imposed.

Mr. RYCKMAN: I may say to my hon. friend that the question he has raised really does not seem to be a proper one in view of what is proposed. This amendment is not suggested for the purpose of influencing or affecting in any way any penalty whatever. It is brought forward without regard to what the penalty may be. My hon. friend will find that the word "value" is defined in the interpretation section of the Customs Act.

Mr. RALSTON: Just the word "value" alone.

Mr. RYCKMAN: Yes, and these words "value" and "value for duty" as hon. members know have a difference in signification. I merely ask that a man bringing in silks, for instance, on which there is an ad valorem duty, shall not be subject to these penalties while a man who brings in liquor, to refer to the commodity I mentioned before, gets off because there is a specific duty on that article. We want to put everyone on the same footing, and there is nothing in the suggested amendment except equal treatment for all. It will be seen from the interpretation we place on "value for duty" that it is the actual value of the article, which should be known by the importer.

Mr. RALSTON: Not the actual value.

Mr. RYCKMAN: I quote from the amendment:

> "Value for duty" means the value of the article as it would be determined for the purpose of calculating an ad valorem duty.

It seems to me there can be no objection to that when our customs tariff has both ad valorem and specific duties. If a man is found harbouring and concealing goods to cheat the customs, in the one case he would be subject to a penalty and not in the other because of the technical interpretation made by magistrates as to the value for duty. That is what we wish to correct.

Mr. RALSTON: I do not think the minister understands what I am suggesting. I am saying that there should be absolute equality with regard to goods upon which an ad valorem duty is imposed and those upon which a specific duty is imposed. That equality can be effected by making the value of the goods the value for duty proposes in order to decide as to whether the greater or lesser penalty should be imposed. The minister might have a prosecution against a certain man for harbouring goods. How is he going to know whether or not that is an indictable offence until the customs appraiser steps into the stand and states that if the goods had been subject to an ad valorem duty he would have valued them at so much.

Mr. RYCKMAN: It is unfair for my hon. friend to state the case in that way.

Mr. RALSTON: I do not intend to be unfair.

Mr. RYCKMAN: My hon. friend says that the value would not be known until the appraiser stepped into the box, but that is not the case. In order for a man to get his goods he would have to come before a customs officer, the man would be treated the same way in the one case as in the other. The man would not be brought into court without knowing what he is charged with.

Mr. RALSTON: The minister misses the point. If a man was charged with harbouring goods that had been imported unlawfully, those goods would not have passed through the customs. There would be no appraisement made by a customs officer and the magistrate or the prosecuting officer would not know whether to lay the charge as an indictable or summary offence. The customs officer would have to be called to fix the value. The governor in council has power to impose all sorts of arbitrary values and a man may be charged with a more serious offence if the customs appraiser decides that the goods in question shall be valued at so much for duty purposes. When a man harbours silks or other similar goods he knows what the value is; if they are worth more than $200 he knows that he will be liable to the greater penalty. However, in the case of many other commodities he might be liable only to the lesser penalty. I am suggesting that it should be made equitable all round, it should be the same in this subsection as it is in subsections 1 and 2.

Mr. RYCKMAN: If what my hon. friend states is an injustice, it has existed in every case where an ad valorem duty is applied. I have never heard of it having worked unfairly and no complaints have been made against it. We are simply putting the two men upon the same footing and not making it subject to a magistrate's interpretation of the value for duty. Everyone who is familiar with the workings of the Customs Act knows that there is a right of appeal. If one is bent upon asserting his rights he has abundant opportunity to do so. We are simply trying to place those guilty of infractions of the law upon the same footing as far as ad valorem and specific duties are concerned.

Mr. POWER: I am sorry the former Minister of National Revenue (Mr. Euler) is not in the chamber as he might recall with me that at the time this act was passed there was a somewhat bitter controversy in the house. It was contended that this was too arbitrary a power to place in the hands of the customs department, and that we had not really met the distinction between commercial smuggling and the ordinary petty smuggling which goes on over the border every day where people who have entered the United States come back with a pair of silk stockings or two or three packages of cigarettes. As I recall it, the debate at that time lasted through two or three sittings of the house. As the hon. member for Waterloo is not present, perhaps I should not refer to the fact that the bill was finally passed on a Friday night when most of the members who had opposed it were away. At that time an arbitrary power was given to the customs department; that was bad, but this is far worse. As the hon. member for Shelburne-Yarmouth (Mr. Ralston) has pointed out, it would be impossible to know the value of the goods being harboured or smuggled until such time as a customs officer came into the box and stated that the particular merchandise was worth so much. In many cases he might not know himself until he had consulted with the higher officials of the department. If the articles harboured, hidden or smuggled were not articles usually imported in the ordinary course of business, I have not the slightest doubt but that the customs officer would have to apply to the commissioner of customs to find out what value had been placed upon them for duty purposes. I submit to the minister that it would be in the interests of the crown itself in avoiding expense in the prosecutions, and it would certainly be fairer to everyone if he would say that the value to be taken into consideration in the prosecution shall be the real value of the article. He does not require the other sections of the Customs Act for the purposes of prosecution.

Mr. RYCKMAN: Let me interrupt for a moment. That is exactly what this amendment proposes. The subsection reads:

> "Value for duty" means the value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada under the laws relating to the customs and customs tariff, whether such article be in fact subject to ad valorem or other duty or not.

Mr. POWER: "Under the laws relating to the customs and customs tariff." The laws relating to the customs and customs tariff provide that there may be an arbitrary valuation for duty purposes, a valuation which cannot possibly be known to the person accused of this offence.

Mr. RYCKMAN: I submit that the section absolutely excludes an arbitrary value.

Mr. RALSTON: My hon. friend suggested that I was unfair; I do not think that that statement is quite fair. The section reads:

"Value for duty" means the value of the article as it would be determined for the purpose of calculating an ad valorem duty upon the importation of such article into Canada—

Mr. RYCKMAN: We want to put them both upon the same footing.

Mr. RALSTON: My hon. friend suggests that that means the actual value. I think I could ask any importer to step into the witness box to deny that the value for duty purposes is the actual value of the goods, and particularly the value for duty as it would be determined. There have to be two presumptions; there has to be the presumption that the goods are subject to an ad valorem duty, which they are not, and there has to be the presumption that they are worth a certain amount which the appraiser is going to fix, which they are not. That is the sort of thing upon which the prosecution, the conviction and the punishment is going to be based. My hon. friend says that this has been done in the past; it is quite true that it was done in the past but at that time the value for duty meant the fair market value and only in the case of manufactured goods, under a special provision, was there any permission to make an arbitrary value. That has all gone by the board in the legislation of the last three years, and now my hon. friend and his officials have a right to fix any value under the sun—

Mr. RYCKMAN: That is not correct.

Mr. RALSTON: —and to call that the value for duty purposes. My hon. friend proposes to rest a criminal prosecution and punishment on that. I cannot see, and with all due deference to him I do not think he can see any reason that the real value of the goods should not be the test whether the increased penalty should be imposed. That would be putting the section squarely in line with the two previous ones, and he would not then be permitting an arbitrary prosecution based on an arbitrary price.

Mr. HANSON (York-Sunbury): Is it not a question of value in each case?

Mr. RALSTON: No, a question of guess.

Mr. STEWART (Edmonton): The only objection I take is that if the act is not to be amended for the honest importer, then we shall be giving a preference to the man who is trying to evade the law.

Mr. RYCKMAN: Let us take this case. How much is a gallon of alcohol worth? For ready reckoning, let us call it fifty cents. The value of that alcohol, after it is free of customs, is much more than that. The tax which we impose is $7 a gallon. Supposing there were twenty gallons; that would mean $140 in value of duty. But if the actual value is to be taken, then you would find our friends asking that fifty cents should be used and the total would be $10. Everyone knows twenty gallons of spirits, if it is potable, is worth more than $10, and thus one can see the justice in appraising the value of the article.

There has been no trouble in the administration of this section. What the hon. member for Quebec South says is true, not however, with regard to section 217. As far as I understand the matter, there was no complaint made against this section. I think I may fairly put it in this way: as one offender comes under the law and another, on account of a technicality, does not, would it not be proper to make the law cover all actual offences, putting one man on the same footing as another? That is what we are trying to do. We have a value for duty in terms of the Special War Revenue Act. This is just to make the law fairly applicable.

Mr. YOUNG: We know in the last few years powers have been given to the minister to fix on goods coming into Canada any value he likes, regardless entirely of what the goods are actually worth. We know, if a man is found with goods in his possession of the actual value of $100, that have been imported without paying duty, that man is liable to a certain penalty. We know if he is found with goods of the value of $200 on which duty has not been paid, he is liable to a much heavier penalty. The provision of this clause, as I understand it, will put in the hands of the minister's officials power to value these goods so that the duty to be paid will be higher and the man will suffer a greater penalty. He may be in possession of goods of the actual value of $100, but the customs official can go into court and say: I value those goods at $200, and in that way the penalty will be much heavier.

Mr. RYCKMAN: He cannot do that.

Mr. YOUNG: That is the law as I understand it. There are lawyers in the house who will put the same interpretation on it. If it is not so, will the minister so state definitely?

Mr. RYCKMAN: What my hon. friend has said about the law and the facility with which customs appraisers can act, is altogether incorrect.

Mr. STEWART (Edmonton): Will my hon. friend state, as a fact with respect to goods imported honestly and fairly, on which duty has been paid, that a customs appraiser cannot, on instructions and under powers vested in the minister, put any value he likes on those goods?

Mr. RYCKMAN: I will state positively that he cannot do so.

Mr. STEWART (Edmonton): There are unfortunately many people who have paid duties who say otherwise.

Mr. RYCKMAN: They have not paid duty on any value, no matter what it might be, that the minister cared to fix.

Mr. HANSON (York-Sunbury): That is the sort of stuff hon. members opposite have broadcast through the country.

Mr. STEWART (Edmonton): Not at all. I am not prepared to stand for that. I am ready to bring the evidence before the house.

Mr. HANSON (York-Sunbury): Bring it in.

Mr. VALLANCE: Let me put a concrete case. The Prime Minister announced, during the time we were putting through the Economic conference agreements—

Mr. BENNETT: The opposition were not putting them through; they opposed them.

Mr. VALLANCE: The right hon. gentleman mentioned wire; he said that wire was coming from Holland at a certain price and that it was not allowed to come into Canada at the price suggested. The Minister of National Revenue being vested with the right, for duty purposes placed an arbitrary value on barbed wire. Is that so?

Mr. RYCKMAN: No.

Mr. VALLANCE: What did the hon. gentleman do?

Mr. MACDOUGALL: Exercised his intelligence. That is all.

Mr. VALLANCE: How did he keep out the wire?

Mr. RYCKMAN: What was found was this, that a German concern which was manufacturing barbed wire, was shipping it to be barbed in Holland because barbed wire was not in common use there, in order that it might in a country where there was no real market, establish a price which was a dumping and unfair price. It was shown that in Germany where this company had their home, they were charging more for barbed wire. It was shown that in Belgium, lying just alongside, they charged less for it, but they went to Holland where barbed wire was not in extensive use and when called upon to say how much was used there, they said 6,500 tons. It turned out that part of that was re-exported from the country. They were trying to establish a price to ruin anyone engaged in the business in Canada, and under section 36, not by action immediately of the minister, a value was fixed for barbed wire. What would have been the result if this barbed wire which it was proposed to distribute here, had been allowed to enter Canada? There would have been no chance of doing business in this country by the companies already here and the result would have been that later people would have paid through the nose, prices they never paid before, for barbed wire.



Mr. VALLANCE: Does the same principle apply, as regards the valuation for duty purposes, to all articles? Under the old dumping act, if anyone attempted to sell goods cheaper in Canada than in the country of origin, the dumping duty applied. Will the minister say whether the same principle applies in regard to the valuation of goods coming into Canada to-day?

Mr. RYCKMAN: I shall say that dumping does not in any sense apply in the consideration of the amendment now before us. If my hon. friend desires me to answer any question arising out of his own knowledge of any particular subject, I should be glad to sit down with him and discuss it, and I am sure that he will find that there is no enlarged power taken of fixation. It is already provided under section 36 of the Customs Act what action shall be taken by the department itself, irrespective of the minister or the government, and such action is taken in the ordinary routine of the department. Yet members rise in the house and tell us that there has been some fixation by the minister of outlandish prices. I can only stress as emphatically as I can that such is not the case.

Mr. BENNETT: Might I say one word in answer to my hon. friend from South Battleford? The question of valuation was always predicated upon what was described as fair market value in the country of origin; that is, the price that would be paid in normal trading transactions for the commodity in question.

Mr. STEWART (Edmonton): Except there is a distress market.

Mr. BENNETT: I said fair market value. Distress market has nothing to do with it; I am leaving that out altogether. The difficulty arose because the surplus product of foreign manufactures was thrown upon the

Canadian and other markets at prices which were less than the fair market value. If any of the members of the committee are disposed to read the speech that Mr. Fielding made upon the matter when section 43 was introduced into our statutes by the late Senator Bureau, they will realize just what the difficulties in this country were. The fair market value became almost impossible to determine for many, many reasons, and we had what was called a dumping duty, but that was found to be wholly inadequate to meet the situation, and the extraordinary provision of the act of 1930-31—

Mr. YOUNG: Extraordinary is a good word.

Mr. BENNETT: Yes, to save the industrial structure of Canada.

Mr. YOUNG: And ruin its farmers.

Mr. BENNETT: It did not. It saved the entire fruit industry, and I challenge the hon. gentleman to point to a single injury to any farmer by reason of it.

Mr. YOUNG: How about barbed wire?

Mr. BENNETT: Barbed wire did not do any injury, but the price of barbed wire was not enhanced by reason of any action that was taken.

Mr. VALLANCE: The price was maintained.

Mr. BENNETT: Certainly it was, and I explained to the house when I was asked questions about barbed wire just what the situation was, that I do not think any member of this house believes in his own mind that it is sound business for Canadians to permit any commodity to displace Canadian commodities at distress prices, with the effect of destroying the Canadian industry, and then leaving the Canadian consumers subject to the price of a monopoly. That is what it gets down to. You must at least take a view of these matters beyond the immediate day. I could name half a dozen instances, if it were relevant to this particular matter, in which what I have indicated actually happened. It is a question that is not in the realm of doubt or conjecture; it is a real happening. Now Canada, we hope, will endure beyond to-day and to-morrow, but if your policies are based solely upon to-day, then the result is that to-morrow you suffer, and I wonder if there is anything clearer than the example of the railways in Canada on that point.

Mr. STEWART (Edmonton): I hope my hon. friend is not blaming the dumping duties for ruining the railways.

Mr. BENNETT: The same principle. Everybody was clamouring for railways. Democracy got railways, and the day after woke up and discovered that it had destroyed itself. That is what happens in regard to these commodities.

Mr. STEWART (Edmonton): Other things happened to the railways too.

Mr. BENNETT: Yes, I will admit that. The hon. gentleman managed them for seven or eight years politically.

Mr. STEWART (Edmonton): We will discuss that when the railways are up.

Mr. LAPOINTE: The railways were carrying goods then.

Mr. BENNETT: No, they were carrying loans.

Mr. YOUNG: What are they carrying now?

Mr. CASGRAIN: Deficits.

Mr. BENNETT: When the hon. gentlemen have exhausted themselves, I shall proceed. Fair market value was the test that was imposed, and when the fair market value could not be ascertained, other means were resorted to, to ascertain what that fair market value was, and the duties payable have been the duties payable on fair market value with fair competition. Hon. gentlemen no doubt saw in this morning's paper that yesterday the president of the Board of Trade in England said that England would have to take steps to save her shipping from unfair competition.

Mr. YOUNG: More navigation laws.

Mr. BENNETT: The hon. gentleman has suggested one method by which it could be done.

Mr. YOUNG: Going back a hundred years.

Mr. BENNETT: The hon. gentleman has discovered that one hundred years of experience has taught lessons.

Mr. STEWART (Edmonton): I think three years have taught some.

Mr. BENNETT: The people of this country have discovered that unless the steps taken had been taken there would have been no industrial fabric left in Canada.

The point at issue in this bill is one which the minister explained very clearly, and I cannot understand why there is all the fuss about it. You could not convict for violation of the statute because the duty payable on importation was in specific terms rather than in ad valorem terms, and that made possible punishment for a violation of the law. What the value is, is a matter of evidence. It always is. That is a matter of procedure

and evidence; that is all. The evidence will establish the value, and when the value is established, that is all there is to it; the duty then attaches at the rate indicated. Is there anything very strange about that? I cannot see it. Of course, I am open to conviction always.

Mr. LAPOINTE: The Prime Minister is improving.

Mr. BENNETT: It is amazing what adversity does. If the hon. gentleman had to carry the burden of responsibility that I have done for the last three years, he probably would have improved too. I realize more and more every day what are the conditions in this country and the burdens we have to carry, and I endeavour to adapt myself as best I may to the continuance of the burden. I am grateful to the hon. gentleman if he thinks I show signs of improvement, for I should hesitate to remain, in the words of Pitt, one of those who continue ignorant despite the warnings of age and experience. That is all there is in this legislation, and I suggest it might be a reasonable thing to adopt it so that those who have violated the law in the past shall not be able to escape on a technicality.

Mr. YOUNG: I have not the statute before me, but speaking from memory, the 1930 amendments to the Customs Act give the minister power to fix valuation for duty, and he would fix those values for duty according to the price the Canadian producer thought he should get. I think the statute provides for a minimum price, that the price so fixed shall not be less than the cost of production plus profit to the manufacturer in the country of origin. That was the minimum, and the sky was the maximum. There is nothing in the statute as it now stands to prevent them making any valuation they like. Mention has been made of barbed wire. Will the minister tell us whether or not any confidential letters have been sent out from the department to the customs collectors in regard to valuation for barbed wire?

The CHAIRMAN: I do not think that question is relevant to the matter before the chair.

Mr. RYCKMAN: I shall be very glad to answer if the chairman will allow me. I know of no such letters. Any letters that would be sent out would be in the ordinary routine of the office, and barbed wire would not be dealt with any differently from any other commodities coming under the direction of the department. I know of no such letters.

[Mr. Bennett.]

Mr. YOUNG: If the minister knows of no such letter in regard to barbed wire, will he tell us if any confidential letters have been sent out by the department touching valuation for duty? Have those letters been sent out for the purpose of fixing the values for duty without allowing the importer to know the value until he has to pay the duty?

Mr. RYCKMAN: I know of no such instance.

Mr. HURTUBISE: I should like to ask the minister if in the application of these changes he intends to use the Royal Canadian Mounted Police?

Mr. RYCKMAN: I do not know that that point comes under consideration in the discussion of these amendments, but as the hon. member knows, what is called the preventive service is now under the control of the Royal Canadian Mounted Police. Part of it still remains with the Department of National Revenue, that part which might be termed the investigation branch. Investigations come peculiarly within the Department of National Revenue. But it was thought that where there was protective work to be done and enforcement of the law to be carried out, that in view of the fact that we had a police force which does its work efficiently that force should do the work formerly done by the Department of National Revenue.

Mr. HURTUBISE: I am assuming a great part of the work of the Department of Customs will be undertaken by the Royal Canadian Mounted Police. I should like to state to the minister the fact that in this case, as in many others, there will be overlapping of jurisdiction.

The CHAIRMAN: I believe the hon. member is out of order. Unless there is general consent the preventive service cannot be discussed at this time.

Mr. RYCKMAN: I am quite willing to answer any question the hon. member may ask. However, as you have said, Mr. Chairman, this does not seem to be the proper time to discuss the preventive service. When my estimates are before the committee I shall be happy to answer any question which may arise. If the hon. member finds it impossible to be in the house at that time, and will be good enough to let me have a memorandum of the information he desires, I shall be very happy to reply.

Mr. HURTUBISE: I am prepared to wait and ask my question at another time. There is a specific occurrence in mind, however,

which I should like to bring to the attention of the house, one which took place in my constituency only last week. I am satisfied, however, to wait until later.

Mr. MACKENZIE (Vancouver): How many cases were dismissed under the old section? There is reference made to these prosecutions under the explanatory note.

Mr. RYCKMAN: I cannot tell my hon. friend. I must say, however, there was more than one shot, and we thought we had to mend our fences.

Mr. MACKENZIE (Vancouver): In all the provinces?

Mr. RYCKMAN: I cannot tell my hon. friend, but I shall inquire and let him know.

Mr. STEWART (Edmonton): I may be dense, but I do not yet understand the situation. We will suppose someone attempts to import two gallons of liquor into the country, knowing perfectly well that he is evading the customs law to the extent of $14, or at the rate of $7 per gallon. When he is caught and apprehended it is very easy to ascertain the amount he owes customs authorities. In addition, however, there is a desire to punish him. Are there no penalties in the act for infractions, without fixing values, or is this change merely for the purpose of fixing the amount of penalty? We will say, for example, that the reason for the insertion of the $200 means that if it is under $200 a magistrate cannot impose a penalty as severe as it would be if it were over $200. Is that where the difference arises?

Mr. RYCKMAN: Mr. Chairman, I appreciate the hon. member's question. If he had section 217 of the Customs Act before him he would find that where the value is small the party is liable on summary conviction before a justice to a penalty not exceeding $200 and not less than $50, or to imprisonment for a term not exceeding one year and not less than one month, or to both fine and imprisonment. But where the amount involved is larger, as stated in subsection 3 of section 217, there is an indication that the offenders have been indulging in what we call commercial smuggling, or that they are making a business of it. There is an indication that they are harbouring and concealing, in an extensive way, in contravention of the customs law. In the office we call that commercial smuggling, and the commercial smuggler receives more severe treatment than the one who may smuggle a small amount of alcohol for his own benefit or for the purpose of having a celebration with his friends. Only a day or two ago there was an instance where twenty-four men held a celebration; true, under the law they were committing a breach of the Excise Act, under which the penalties are more extreme. It is our hope that at this session those penalties may be modified. The twenty-four of them signed a round-robin stating they were all guilty, not knowing that they were making themselves liable to a fine of $200 and one month in gaol. That was not a case of commercial smuggling. The magnitude of the offence is something which must be considered, because in one case it is setting the law at naught, but in the other it is not only setting the law at naught but trying to make money out of doing so.

Mr. YOUNG: Mr. Chairman, the minister has stated there have been no cases of extreme valuation placed on goods. I should like to give him the circumstances of a case which came under my notice not long ago. A man without money settled on a homestead in southern Saskatchewan close to the Montana border. He managed to get a little lumber with which to build a shack; he had no furniture. A neighbour living across the line, on the American side, gave him an old democrat, from the body of which he made a cupboard. Another neighbour sold him the remains of an old mower for the sum of $5. With that purchase, added to other parts he was able to pick up, he made himself a mower sufficient for his purposes. His total investment was $5. These articles which were gathered from his neighbours' junk heaps were reported to customs officials, one of whom came along and put a valuation of about $40 on the goods. The farmer was told that the value for duty would be that amount. If that is not extreme valuation, I do not know what could be; it is both arbitrary and extreme. It might easily have happened that the customs collector would not have come along until the farmer had gathered a little more junk from his neighbours, at which time the valuation might have been placed higher than $200. Under those circumstances the farmer would have found himself liable under the criminal code. I say the valuations put on are absurd.

Mr. RYCKMAN: I had not heard of the circumstances to which the hon. member has referred, but I believe they have no relation whatever to the clause we are now discussing.

Mr. RALSTON: It shows exactly to what extent criminal law is being carried, when it is suggested that the penalty shall be based on a valuation of that kind. That is exactly what my hon. friend was endeavouring to point out. I understand the suggestion has been made that we have no arbitrary duties.

All of us have been giving examples in this house right along of the most arbitrary duties being imposed. We started out by saying we were going to have dumping duties, imposed in this way, that the customs appraiser was going to value the goods at the amount at which they would sell in the country of origin, that was to be the test. We soon got beyond that, we said: No we will not pay much attention to the selling price in the country of origin if it is below the cost of production in Canada; we will increase those values to meet at least the cost of production in Canada. That did not go far enough; then we abandoned any rule whatever, and gave the customs officer the right to put on any value he likes. Those arbitrary duties are being imposed from day to day. I think if my hon. friend reads the mail of his department he will find that complaints are coming every day from importers who if they place an order for delivery three months later have no idea whatever how much duty they are going to have to pay, owing to such arbitrary valuations. And that is to be the basis of criminal prosecutions launched against citizens of this country for harbouring. My hon. friend is always talking of spirituous liquors, as if they were the only thing on which specific duty is imposed. Let us take socks, upon which there is a specific duty. A man can have a bale of them in his cellar; he knows what the penalty is. But a customs officer is found who says: If I had to determine the value of these goods for duty purposes, instead of $10 I would have valued them at $50, or instead of $100 I would have valued them at $300. A man incurs a penalty simply on the decision of the customs officer. Our objection is based on the fact that these arbitrary duties are being constantly imposed. Value for duty means something entirely different from what it meant when this provision of the law came into force; then it was fair market value, now it is any value the appraiser sees fit to put on.

Mr. RYCKMAN: Mr. Chairman, I cannot let the remark of my hon. friend go without an answer. I tell him specifically across the floor of this house that when he says the minister has the power to fix any duty he likes—those are his words as I caught them—

Mr. RALSTON: Valuation.

Mr. RYCKMAN: —I say that is untrue. I will also add that the legislation that is upon the statute books, with the exception of the amendment made to section 43, was put on the statute books by the party opposite.

[Mr. Ralston.]

Mr. RALSTON: Oh, no. If my hon. friend will read the sections of the act from No. 35 on, he will find the minister has that power. He will find further that the governor in council can give the minister special power. He will find that the only arbitrary power given under the former act was the power with respect to natural products and nothing else. That has now been extended to cover all the commodities we import into Canada.

Section agreed to on division.

On section 2—Special permission for lightening vessel and unlading goods.

Mr. RYCKMAN: Just a word in explanation. Section 8 of the Customs Act says that we shall not work on Sundays and statutory holidays nor between sunset and sunrise. That has been the law for a long time. As my hon. friends must of course know, it is sometimes necessary—not desirable but necessary—to work on a holiday. It is sometimes desirable to work between sunset and sunrise. We want that privilege in exceptional cases and when the minister authorizes that the work shall be done. As mentioned in the explanatory note, there was one case where not being allowed to lighter a boat resulted in an expense of about $2,500. Some of these boats cannot approach the wharf without being lightened, and it is necessary sometimes to do that when otherwise we would like to be at our devotions or taking our ease. I think the amendment is reasonable and should commend itself to the committee.

Mr. LAPOINTE: I do not think the explanation justifies the change as far as working on Sundays is concerned.

Some hon. MEMBERS: Hear, hear.

Mr. LAPOINTE: Doubtless it is possible that some company or corporation or individual may lose as much as $2,500 by not working on Sundays, but that happens everywhere and in every sphere. All the big corporations are losing more than that by being obliged not to work on Sundays. How will my hon. friend reconcile this legislation with the Lord's Day Act? He will have to amend the Lord's Day Act too, because here is the only exception covered in the Lord's Day Act as to loading and unloading of vessels. It is in chapter 123, section 11 (1):

Loading, unloading and operating any ocean-going vessel which otherwise would be unduly delayed after her scheduled time of sailing, or any vessel which otherwise would be in imminent danger of being stopped by the closing of navigation—

I do not see why there should be special privilege for unloading vessels on Sundays because of loss of money incurred by somebody by reason of having to wait until Monday. I think it is setting a bad example. And, Mr. Chairman, may I call your attention to the fact that already the law for the observance of Sunday is sometimes broken, I know that there have been many complaints in my own province about it. This is no time for the government to introduce legislation of this kind.

Mr. RYCKMAN: My hon. friend is quite satisfied to have our railway trains travel on Sunday, he is quite satisfied to sail down the St. Lawrence on Sunday. Where, because of her heavy draught, it is necessary to unload a boat to a degree before permitting her to approach a wharf, surely it is in the spirit of keeping the Lord's Day that that necessary work should be done. Provision is sought for nothing but what is necessary, and I leave it to the common sense of members of the house. Would it not be altogether reasonable that in the cases mentioned there should be opportunity, not to turn the day into a working day, but where there are special reasons for the work being done, to save it from being a breach of Sabbath observance?

Mr. CASGRAIN: I think the point taken by the hon. member for Quebec East (Mr. Lapointe) is well taken. I do not want to add to what he has said, but I think it is inadvisable to set such an example, more especially in our province where I know some friends of the party opposite are taking the provincial government to task because in some cases they have had to carry on certain impending and necessary works on Sunday. After all this is only a question of dealing with customs and excise enforcement, levying fines and so on, and I do not think these matters are of such tremendous importance that we should do away with the Lord's Day Act just to give certain officials power that may force them to break a statutory law. I do not think it ought to be done, and if this question comes to a vote I for one will vote against it.

Mr. RYCKMAN: Mr. Chairman, some members of the committee may wish to consider this matter further, so I would move that the committee rise, report progress and ask leave to sit again.

Progress reported.

## TRADE RELATIONS WITH RUSSIA

Right Hon. R. B. BENNETT (Prime Minister): With the consent of the house, Mr. Speaker, I move, seconded by Mr. Ryckman, that we revert to the order of motions.

Motion agreed to.

Mr. BENNETT: On behalf of the Secretary of State (Mr. Cahan) I desire to lay on the table a partial return of correspondence with Mr. G. G. Serkau in connection with the proposed exchange of Canadian cattle for Russian goods, in response to the motion made by the hon. member for South Battleford (Mr. Vallance).

## SUPPLY

### DEPARTMENT OF NATIONAL DEFENCE

The house in committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

Militia services: cadet services, $300,000.

Hon. DONALD M. SUTHERLAND (Minister of National Defence): When the committee rose the other night we were considering this item, but since the hon. member who moved an amendment and the other hon. gentleman who said he wished to speak on the matter are not here, perhaps we might let this item stand for the time being and proceed to something else.

Mr. RALSTON: I would like a little information on this item, and perhaps the minister would go on with it as far as possible. If the others are not here a little later perhaps it might stand. Would that be satisfactory?

Mr. SUTHERLAND: Quite so.

Mr. RALSTON: I wonder if the minister would give us the number of cadet corps now operating, and also tell us if there have been any increases or decreases in the last year.

Mr. SUTHERLAND: There were 1,174 corps in existence on December 31, 1932. Up to March 7 last ten new detachments had been authorized, and since that time no further authorizations have been made. Last year forty-four detachments were disbanded.

Mr. CASGRAIN: How many detachments are there in the province of Quebec?

Mr. SUTHERLAND: There are 324 corps in Quebec.

Mr. CASGRAIN: In view of the debate which took place when this item was under consideration previously, during which members on this side of the house belonging to both the official opposition and the group in the corner gave many reasons why this amount should be reduced, I should like to know from the minister if he has considered the advisability of reducing this vote or, if

that cannot be done this year, of undertaking that next year we will not be asked to pass a similar vote.

Mr. SUTHERLAND: I think I am quite safe in giving that undertaking, which I gave the right hon. leader of the opposition previously. Undoubtedly the estimate next year will be very considerably reduced.

Mr. CASGRAIN: I presume the minister has no idea of the extent of that reduction.

Mr. SUTHERLAND: I cannot give a definite figure, but certainly it will be very much reduced.

Mr. RALSTON: I understand that when this item was under consideration the minister felt that he was hampered to some extent by existing arrangements or agreements. Let me point out to the minister that as I understand it—and he will correct me if I am wrong—the arrangements really are only with respect to the Strathcona trust fund, which really was the commencement of the cadet movement. That has to do only with the expenditure of the interest on a certain amount of money which was provided by Lord Strathcona. So far as I know there are no arrangements in the sense of contractual obligations of any kind with the provinces with regard to the expenditure of any sum such as this. I wonder if the minister had in mind that commitments had been made or that there were any moral obligations which he felt he should observe in asking parliament to vote this sum for the fiscal year ending 1933-34. Is it not the case that everything which might be considered either a moral or a legal obligation will expire by midsummer of this year?

Mr. SUTHERLAND: So far as any legal obligation goes I think the hon. gentleman is correct; I do not think we would be breaking any legal obligation if we announced a change of this kind in sufficient time to give school boards a chance to make their plans. However, I think there is a certain moral obligation on our part with respect to boards who have inaugurated the system and who desire to maintain it.

Mr. RALSTON: I am not sure about that. As I understand it there is a contribution of $1.25 towards each uniform.

Mr. SUTHERLAND: No, the uniform allowance has been cut off.

Mr. RALSTON: Then the contribution now really consists largely of payments to instructors, and I wonder if I am right in saying that an instructor is paid $2 each for the first fifty cadets, and either $1 or 50 cents for each cadet in excess of that number.

Mr. SUTHERLAND: The allowance to cadet instructors is $2 each for the first fifty cadets and $1 each for all additional, with a maximum of $3,000 to any one instructor.

Mr. RALSTON: What is the total provision made for instructors?

Mr. SUTHERLAND: In round figures, $157,000.

Mr. RALSTON: What are the other large items?

Mr. SUTHERLAND: There are twelve cadet officers, one in each district except military districts 2 and 4, in which there are two. The vote for these officers is $43,000. There are twelve civilian stenographers employed solely on cadet work, the allowance being $13,000. An allowance of $46,000 is made for pay and allowances of permanent personnel employed as physical training instructors at normal schools or with cadet corps. Transport and travelling expenses, $24,000.

Mr. RALSTON: This vote has always been the subject of attack in the committee but I have always defended the cadet system and I am prepared to do it again. However, I submit that in view of our economic and financial position this item should be very substantially reduced. I think the minister agrees with me in his heart of hearts, even though he may not be willing to admit it openly. The $157,000 paid to cadet instructors is on the same rate as was paid in 1926, 1927 and 1929. A ten per cent cut has been made in the case of other civil servants and I think it would be only fair that a substantial reduction be made in these grants. I know I will not be popular in making this suggestion but I cannot see any reason why the cadet instructors should not also take a cut. The basis of remuneration is the number of cadets being trained, and that basis should be substantially reduced. The allowance for twelve cadet officers is $42,000, and this is in addition to the allowance for twelve stenographers. I do not think the minister would be breaking any contract if he reduced the number of cadet officers or assigned them other duties in order to effect a substantial reduction. I am still supporting the cadets but at this time I think this vote should have the benefit of the pruning knife and that to a very substantial extent.

Mr. CHEVRIER: Mr. Chairman, as I understand it, we are now discussing item 84, whereby the administration seeks $300,000 for

cadet services, a reduction of $60,000 over the vote of last year. I understand also that there is an amendment proposed by the hon. member for Southeast Grey (Miss Macphail) to the effect that this vote shall be reduced by $30,000, the sum being asked for by the United Charities drive in Ottawa. This amendment appears on page 2111 of Hansard. I would not at all quarrel with the hon. member if it were possible that this vote could be reduced by $30,000 and that amount could be paid over by the government to the United Charities, but I know that though the item was reduced by so much, the $30,000 could not be distributed to that most worthy object. I might mention that this most worthy drive is again receiving very generous support from the citizens of Ottawa.

The other evening the Prime Minister (Mr. Bennett) explained just why this vote of $300,000 for cadet services was being asked for. At the outset of my remarks may I say that for the years which it has been my privilege and great honour to be a member of this house, I have consistently supported this vote. I am quite prepared to accept the explanation given the other evening by the Prime Minister, to be found on pages 2114 and 2115 of Hansard. I think this explanation can be summed up in the following words of the Prime Minister:

> In view of what has taken place in the past it would not be my judgment that the minister could ask the school districts to take a certain course. They are masters of the situation; they determine whether or not they will make any expenditure. When they determine that they will not, our obligation ceases.

I think this statement should be coupled with the statement made by the right hon. the leader of the opposition (Mr. Mackenzie King) which appears on page 2115 of Hansard, as follows:

> As has been pointed out, ten per cent is being deducted from the salaries of civil servants and economies of every kind are being attempted if not in fact practised.

And again on page 2120:

> I say to the hon. gentleman that, unless as minister of the department he will give us an undertaking, or, unless the Prime Minister will give us an undertaking on behalf of the government, that the government is prepared to communicate with the provinces, municipalities or with whatever bodies they may have made commitments, expressing the hope that those bodies may see their way clear to forego further grants for the period of a year, I shall when it next comes up oppose the vote for this service.

These statements show just exactly how this vote was placed before the committee. With what my right hon. leader said I am in absolute accord, but at the same time may I say that in my opinion in years gone by there has been very much in fact, too much, lopping off or cutting or doing away in connection with our national services. Canada has reached a stage where every bit of her national services should be preserved. I have seen with great regret the decrease of estimates in the very essential services. It is true that this is due to circumstances, but we should not, in time of crisis, do anything that may endanger the machinery whereby the national development of Canada is brought forward, so that when times return to normal we shall not be so far away from the well-beaten path, that we shall be unable to recognize the old blazes on the old trees, and find the trail we then travelled in ease, luxury and happiness.

I am altogether in favour of this vote for the cadet service. It does not make very much difference to me whether there is anything military in the training which these young boys receive. I am quite sure there is no military training in what is given to the Boy Scouts and Girl Guides. I am confident that if at the outset of the great war, Sir Sam Hughes was able in so short a time to gather together 35,000 men, send them overseas and have them on the field of battle, it was because of the training and discipline they had received in the summer training camps. It did not make militarists out of them. I honestly believe that the many feats of valour and glory on the fields of Flanders, Vimy, Courcellette and elsewhere had their origin in the discipline and training our youths had received in the training camps of Canada. When they found themselves in difficulty, they knew exactly what to do in cases of emergency. I am not one who believes in armaments or whose maxim is, si vis pacem, para bellum, but I believe the youth of to-day, the boys and girls, would spend their time very much better in the open, in the fields, in discipline and practice, whether they use a rifle or one of those sticks with a signal flag on the end of it, than by going to moving picture houses where they receive nothing that will improve either their morals or their physique.

I wonder if the work, for instance, of the Royal Military College may be said to inculcate militarism in the minds and souls of the young men who have been fortunate enough to follow the courses given there. Those who are opposed to this training ought to look into the matter and see how many of the young men who have received their training at the Royal Military College, or, for that

matter, at any other military college that exists in Canada, go about preaching warfare. A large proportion of them are following ordinary vocations in life as engineers and in other capacities. I do not for one moment think this training is conducive to the creation in the youth of to-day of a spirit which may be anti-pacifist or bellicose. Canada in her youth should be prepared for to-morrow; the youth of to-day should receive training along the lines of the old Roman and Greek physical culture. We all know in the old days the Romans and Greeks believed in "mens sana in corpore sano," a sound mind in a sound body. The mere fact that boys drill under a military system, bow to discipline, even carry muskets, will not create in their souls a desire to kill somebody else. Our policy should be based on modern methods, on the necessity of keeping in touch with present conditions, and in some way we should put a stop to this lopping off of services that are conducive to the national standard of living. By the statute of Westminster Canada is now a nation. She should be garbed in the dress or uniform that befits her to-day—long enough to cover the subject and short enough to be interesting—but please do not make it any shorter. Methinks we can not afford to lop off any more.

I am in favour of this appropriation; I shall vote against the amendment. I would be much more at ease if the minister would say that he will procure, as my right hon. leader has suggested, an undertaking that some of these schools or bodies or corporations with whom we are concerned will advise the government that they will not ask for any further grants pending the betterment of financial conditions. But if that cannot be done, then, with less gladness of heart I shall nevertheless vote for this item.

Mr. ROSS: May I ask the minister whether this is under a separate administration? This might be one way in which a saving could be made. I am strongly in favour of this training and will support it in every way, but I think at the present time we are a little top-heavy, and if this administration is not separate and apart, I see no reason why the duties should not be combined with those of some part of the administrative body.

Mr. SUTHERLAND: The cadet movement has developed very rapidly in the years since the war. During the last few years particularly it has gone forward by leaps and bounds, and undoubtedly if the grants were not cut down there would be a continual increase in the movement. In view of that fact and the general opinion in favour of the move-

[Mr. Chevrier.]

ment, it was considered too big to be tied to any of the other departments. Under present circumstances there is a good deal in what the hon. gentleman says, and no doubt considerable changes along the line of overhead can be made.

Mr. ROSS: I see no reason why the officer in charge of cadet services should not perhaps take on some other duty, thereby reducing the headquarters expenditure. On the other hand, it would be rather difficult to reduce the amount allowed for stenographers, because the officer has found it impossible to take a lady stenographer around with him to the different training classes. He insists on a male stenographer, which, of course, increases the stenographic expense. I think his reason is sound, but it makes the expenses for that section slightly higher than in the past. I repeat, however, that I can see no reason why in these days the cadet officer could not take on some other duties in order to reduce the overhead expense, especially when the whole service is being reduced.

Mr. HOWARD: I appreciate very much the cadet service and personally I favour the training that is given and the way it is being handled throughout Canada. But the minister stated the other night that it was impossible to reduce this vote because of commitments already made, and he went on to say that he could not promise to reduce it another year because it was outside of his jurisdiction.

Mr. SUTHERLAND: I did not say that.

Mr. HOWARD: If that were so there would not be much use in our discussing the item. I am exceedingly pleased that since then the minister has changed his position and now undertakes to do his best to make a reduction next year. I personally favour this vote, but in view of the conditions of the country to-day and the reductions in expenditures that are being made in all directions, I think this is one item in which we could make a substantial saving. I would make this suggestion to the minister. The fiscal year ends on March 31, and out of this vote there will be required an amount sufficient to cover only the remainder of the school year, that is, the months of April and May and up until about the middle of June. It would seem to me, therefore, that it would be an easy matter to cut this vote, as only two and a half months of the school year have to be provided for. Nearly all our schools in Canada close by the eighteenth or the twentieth of June at the latest.

Mr. SUTHERLAND: I am fully in agreement with what the hon. gentleman says as to cutting down the vote next year, and that will be done; but nothing can be done this year because we are committed for the current school term. This vote of $300,000 covers the expenditures from the first of last September to the thirtieth of June, 1933, the end of the school term. So in fairness and justice there is nothing we can do this year. But a cut will be made for the school term beginning on the first of September next.

Mr. RALSTON: Is the minister quite correct about that? We are voting money now for the fiscal year from March 31, 1933, to March 31, 1934. We are not voting to pay accounts for last September. They should have been paid out of last year's vote.

Mr. SUTHERLAND: The hon. gentleman is not correct. What we are voting now will be spent for this current school year, which ends on June 30. These arrangements were made several years ago, and it has been well understood that that was the custom regarding this vote.

Mr. RALSTON: My hon. friend is satisfied about that, that the expenses, let us say, for cadet instructors in September and October, 1932, are paid for out of the vote for 1933-34?.

Mr. SUTHERLAND: Yes.

Mr. RALSTON: Then that answers the point raised by my hon. friend from Sherbrooke as to the school year. Does the minister consider that the vote will be exhausted by the end of June next?

Mr. SUTHERLAND: Yes.

Mr. RALSTON: The money that is being voted here?

Mr. SUTHERLAND: Yes.

Mr. RALSTON: There is one thing I should like to mention in this connection. I understand that the instructors are put into the normal school. That is the way in which instruction gets out to the general schools. The teachers in the normal schools are instructed, and the teachers in turn take the cadet corps in the schools. In addition, cadet instructors visit the schools from time to time and give certain training, and cadet officers also do inspection work. These are two services in regard to which it seems to me a cadet holiday might be declared, at least until financial conditions improve. Once more I want to repeat that I am not expressing the slightest change in my belief in the desirability and efficacy of the cadet movement, but I am talking about a temporary holiday in cadet activities until financial conditions improve. It seems to me where there are so many necessary items of public expenditure, and where there is so much need and want and misery and suffering, this is one of the places where we could save money.

Amendment (Miss Macphail) negatived: yeas, 11; nays, 43.

Mr. RALSTON: Through an error, I have voted. As a matter of fact I am paired with the Minister of Finance in all matters, even in committee. Were I in the house my vote would have to be counted, but in committee that is not necessary.

Mr. POWER: I am in the same position, Mr. Chairman.

Item agreed to.

Engineer services and works, $297,500.

Mr. POWER: Would the minister tell the committee whether he has set aside any special sum for engineer services in military district No. 5, Quebec?

Mr. SUTHERLAND: Yes, $20,000.

Mr. POWER: For what purpose?

Mr. SUTHERLAND: This vote is for general engineering services, such as repairs to rifle ranges, maintenance of barracks, repairs to ordnance buildings, drill halls, armouries, and so on.

Mr. POWER: I should like to invite the attention of the minister to the condition of Kent gate, Quebec. I understand the engineers have been dealing with this problem. This is a covered gate and comprises part of the walls of the city of Quebec. During the month of August or September it was found that these walls were decaying, involving serious danger to passersby. The military authorities under whose control this gate and other sections of the Quebec fortifications come, decided to condemn it. After considerable time I gathered from the newspapers that the department at Ottawa had set aside a certain sum of money for repairs to the gate, to be expended under control or supervision of the Royal Canadian Engineers in Quebec. Work was begun, but, for some reason I have never been able to ascertain, was never carried to completion. For some months the scaffolding impeded passage through the gate, and in spite of protests from newspapers and public bodies in Quebec no further action was taken. Then, the scaffolding, which obstructed one of the most important streets of the city, that leading to the

legislative buildings, was taken down. Repairs, however, were not effected. Only last week I passed this point and noticed that no further work has been done. I remember reading in the newspapers that the Solicitor General had given an interview in which he stated that the work could not be done until such time as parliament voted the money. I judged from this interview that moneys had been set aside for the completion of the work. I regret to learn that apparently no such specific sum has been put aside. The citizens of Quebec, who are keenly interested in the condition in which this gate has been left, would like to have an explanation from the minister, and would like to know whether or not his department intends to proceed with the work.

Mr. SUTHERLAND: I wish I could give every hon. member an answer as satisfactory as I am able to give the hon. member for Quebec South. Arrangements have now been made, and the work to which he has referred will be proceeded with very soon. Although in the past we have expended considerable sums on fortifications, this added amount was entirely unexpected. There was nothing in the vote which passed the house last year to take care of it, as there was no intimation that an emergent condition would arise. At the present time, however, not only has a decision been made, but the matter will be attended to very shortly.

Mr. POWER: What amount is it the intention of the department to expend?

Mr. SUTHERLAND: I cannot give that figure, because part of the work will have to be done as unemployment relief. The hon. member knows that there are a number of men at the citadel who will be engaged on the work, and there is other highly skilled labour which would not come under the unemployment relief expenditure. It is impossible therefore to state definitely the amount required.

Mr. POWER: The remarks of the minister bring another question to my mind. I suppose the minister has reference to the men being housed at the Quebec citadel?

Mr. SUTHERLAND: Yes.

Mr. POWER: I had never fully understood the arrangement with regard to those men. I should like to learn from the minister what work they are doing, what pay they are receiving, and in what way or under what authority the money is found to pay for the work.

[Mr. Power.]

Mr. SUTHERLAND: Some time ago it was felt that the Department of National Defence could be of assistance in carrying out some of the work in aid of the unemployed, and that particularly it could help single homeless men. In furtherance of that policy, on October 8 last an order in council was passed setting forth certain facts about the unemployment situation, and stating that with advantage to Canada certain works could be undertaken by the Department of National Defence during the months of November, December, January, February and March which would provide occupation for single homeless men. This work included development of the Trans-Canada Airways, and the repairs, renovations and renewals of certain portions of the old fortifications in the city of Quebec. The amount allocated to that work in Quebec was $45,000. There has been a subsequent order in council increasing the amount available for that work.

Mr. POWER: What is the amount covered by the subsequent order in council?

Mr. SUTHERLAND: $6,330.

Mr. POWER: That was to be attributed, I assume, to the particular work to which I have referred?

Mr. SUTHERLAND: It would be included in that.

Mr. POWER: These men, I understand, are being housed, fed, and paid twenty cents a day?

Mr. SUTHERLAND: That is right.

Mr. POWER: Are their services being leased to any contractor or other person?

Mr. SUTHERLAND: Oh, no.

Mr. POWER: Is there any arrangement with them whereby if they remain during a certain specified period they will receive more than twenty cents a day?

Mr. SUTHERLAND: No.

Mr. POWER: And they are being utilized to carry on work such as that to which I referred, of an emergency character, in rebuilding the walls and in restoring the structure, such as the Kent gate?

Mr. SUTHERLAND: It is not entirely on the Kent gate; it is more particularly on the general walls. Some of the work that can be done that way will be done under the arrangement referred to.

Mr. POWER: I do not know whether there is much in the way of criticism with regard to the general scheme, but there may

be some criticism if the services of these men working for twenty cents a day are to be utilized on works which could be carried out by other workmen in Quebec. If, for instance, one of these unmarried transients is doing work which could just as easily be carried on by a married labourer of the city of Quebec, I should think we might have serious ground for complaint. The repairs to the Kent gate could, I am sure, be carried out by ordinary labour available in the city. I should be glad to know if there is any justification for discrimination in favour of outside people as against those living in the city who require to earn their living.

Mr. SUTHERLAND: There are no outside people—only those from Quebec and the immediate vicinity, would be so employed.

Mr. POWER: That goes pretty far.

Mr. LAPOINTE: Who selects those men? Is there any regulation under which they are admitted? A couple of young unemployed men came to my office and told me that they had tried to get work on the citadel and could not do so; they were told they had to have a recommendation from a friend of my hon. friend the Solicitor General. I should like to know whether in order to get work there one has to have the support of somebody in Quebec city, or whether he has to have special recommendations or qualifications.

Mr. BELL (Hamilton): Did they say who told them that fairy story?

Mr. SUTHERLAND: I should say there is nothing in that at all. Men are taken on from the provincial employment bureau at Quebec.

Mr. POWER: At any rate it is widely and generally recognized throughout the city of Quebec that no man is unemployed in the sense that he can get a twenty cents a day job unless he has a certificate of such unemployment from one Nolan, who is the ward heeler of the hon. Solicitor General. Whether through the activities of my hon. friends opposite during the last election they became expert in the ability to ascertain who was unemployed and who was not, I do not know.

Mr. BELL (Hamilton): What is a ward heeler? I never heard of it.

Mr. LAPOINTE: Before my hon. friend graduated into government employment he knew what that was.

Mr. POWER: I should be very grateful to the minister if he would instruct the officers in Quebec who have to do with this matter that a man may be legitimately unemployed and entitled to obtain this twenty cents a day from the government even though he be not recommended by the political adherents of the Solicitor General. I know that the military officers there would act in the best interests of the public generally, but perhaps it would be well if they received instructions from headquarters. I would have more confidence if they did.

Mr. RALSTON: Is there anything in this vote for improvements or repairs or work at the citadel in Halifax?

Mr. SUTHERLAND: No. The hon. gentleman knows that as far as this department goes we have moved entirely out of the citadel. Work is being done there, but it is not under this vote, neither is what we have been discussing with regard to Quebec.

Mr. RALSTON: Can the minister tell me if any expenditure is contemplated with regard to the militia quarters in Yarmouth? For some time the question has been under advisement of a rearrangement of quarters there, and in fact something substantial has been done. I wonder if the minister has under consideration any further plans in that regard?

Mr. SUTHERLAND: I remember that matter coming up. If I recall aright—I speak subject to correction—they were going to take over an old church or other building and remodel it. But on account of the difficulty of finances, as in a great many other cases, any change or move that necessitated an increase of rent or anything of the kind had to be laid over.

Mr. HANSON (Skeena): A few years ago the department secured a site in Prince Rupert, British Columbia, for a drill hall, and started to excavate. For the last few years nothing has been done. I would like to know if they still have that site and if they intend to do anything, or if there is anything in this vote for the work. At the present time, with the unemployment that prevails it would help the city of Prince Rupert greatly. As you know, I am not a military man and do not favour cadet training, but money is devoted to that purpose, I think our young people in that part of the country are as much entitled to a share as any others.

Mr. SUTHERLAND: When I was at Prince Rupert I saw the site. I think it is right next to the one they are using at the present time, an additional lot. I believe we have that yet. I told the officers there at the time that under present conditions we

could not go ahead and get a new building, that it was impossible. They have pretty fair quarters there; probably they could be better or larger, but I told them, and I have to repeat to the hon. gentleman, that I do not see any immediate chance for a new building at Prince Rupert.

Mr. HANSON (Skeena): Is it the intention of the government to do anything at all to improve that property? At the present time rented quarters are being used.

Mr. SUTHERLAND: There is nothing in these estimates to provide for a new building. If there is anything in the way of repairs to be done, that might be arranged, but at present we can do nothing more.

Item agreed to.

General stores, $667,800.

Mr. RHEAUME (Translation): Mr. Chairman, I note that there is an increase of $8,926 in this vote. Will the hon. Minister of National Defence inform us whether this signifies an increase in the military forces of this country? All are aware that the cost of living has considerably decreased, yet I note an increase of $8,926. I would like to know what are the main items which are comprised in that amount.

Mr. SUTHERLAND: This vote provides for the purchase, inspection, repair and maintenance of clothing, equipment and ordnance stores, medical, dental and veterinary stores, telephone signals and wireless equipment, the cost of material and labour for the manufacture of munitions at the Quebec arsenal, the inspection of output, and maintenance charges and repairs to the arsenal buildings.

Mr. RHEAUME (Translation): The vote amounts to $667,800. I would like to know what are the items which make up this vote. Will the hon. minister explain why there is an increase?

Mr. SUTHERLAND: The increase is largely due to additional material we expect to use at the arsenal in Quebec. Last year, of course, the vote was cut down a great deal, and during the summer it was necessary to close the arsenal for nine weeks. This year we hope to reduce that period to six weeks.

Mr. POWER: Does this vote cover the arsenals?

Mr. SUTHERLAND: Yes.

Mr. POWER: May I ask if there is any truth in the rumour we have heard in Quebec recently, that it is the intention of the government to begin immediately the construction of a new arsenal?

Mr. SUTHERLAND: No, that is not correct.

Mr. POWER: Are there any buildings to be substituted for the existing arsenal buildings? Is that contemplated at present?

Mr. SUTHERLAND: We are going to change some of what we call the danger buildings, where the actual loading is carried on. There is a danger building pretty close to the city of Quebec, and these buildings probably will be located at Valcartier.

Mr. POWER: That is part of the cartridge factory, what they call the Cove Field buildings?

Mr. SUTHERLAND: That is where they load the shells, back of the citadel.

Mr. POWER: Is it the intention of the department to move the Cove Field buildings to Valcartier?—

Mr. SUTHERLAND: Yes, eventually they will be all taken there.

Mr. POWER: I think perhaps the minister deserves our congratulations, because the buildings were not very well located, and they seriously interfered with any development of the national battlefields. I suppose the minister is well aware of an order in council that was passed some years ago providing for an annual vote of some thousands of dollars to provide for the change in location of those buildings. Will the minister tell me how much it is proposed to expend in that direction this year?

Mr. SUTHERLAND: We are spending $10,000 for preliminary work.

Mr. POWER: For laying the foundations, in other words?

Mr. SUTHERLAND: Yes, and for spur tracks.

Mr. POWER: What will be the eventual cost of the buildings?

Mr. SUTHERLAND: Of course if a full arsenal were built there the cost would be tremendous.

Mr. POWER: I suppose about $3,000,000 or $4,000,000?

Mr. SUTHERLAND: Yes, but we cannot do that at present.

Mr. POWER: If all the buildings that are called danger buildings are removed to

Valcartier I imagine the cost will be in the neighbourhood of $500,000 or more, will it not?

Mr. SUTHERLAND: It depends on how much is moved. At the start, of course, the manufacture of the shells will go on at the arsenal, but eventually the arsenal probably will be moved to Valcartier, although there is nothing definite about that.

Mr. POWER: The arsenal is in operation at present, is it not?

Mr. SUTHERLAND: Yes.

Mr. POWER: What holiday is proposed for this year?

Mr. SUTHERLAND: This year we will have to close for six weeks.

Mr. ROSS: How much of this amount is to be devoted to medical supplies or stores, and what are those stores used for? Are they used for anything but regimental purposes? Are they used for military hospitals?

Mr. SUTHERLAND: There is $9,000 for medical stores. That is to provide for the purchase and upkeep of medical and surgical supplies for the permanent and non-permanent active militia.

Mr. PLUNKETT: Is any provision made to replace the hospital at Work Point barracks, Esquimalt, which were destroyed by fire some time ago?

Mr. SUTHERLAND: No. We have been doing the best we could; the sick are being well looked after, but under the circumstances now existing we cannot replace the building.

Mr. ROSS: I have a point to bring up which may sound peculiar, but I believe if a member sees a chance to effect a saving and at the same time do good service he should bring it to the attention of the government. Could the minister say how many patients are in the military hospital at Kingston and how many patients are in the general hospital?

Mr. SUTHERLAND: I have not the record here.

Mr. ROSS: I wonder if the minister could get that information when we consider item 89? I will have a suggestion to make then which I believe will give better service and at the same time prove economical.

Item agreed to.

Non-permanent active militia, $1,994,000.

Mr. HANSON (Skeena): I notice there is an increase in this item and I should like to know if anything is being allowed for the regiments of northern British Columbia.

Mr. SUTHERLAND: I have not the detailed information as to what each regiment will get. I could obtain the expenditures last year and let my hon. friend have them.

Mr. HANSON (Skeena): I should like to have that information, and also the details of the increases this year.

Mr. HOWARD: How is the increase brought about?

Mr. SUTHERLAND: In my judgment, this is the most important vote in our whole estimates. For the last two years practically nothing has been done for the artillery and provision is being made to allow them to get together a little this year.

Mr. COOTE: Are training camps to be conducted this year?

Mr. SUTHERLAND: Not in the sense they were some years ago. There will be none of the large infantry camps which we used to have.

Mr. POWER: Will there be any cavalry camps this year?

Mr. SUTHERLAND: Last year a number of the units took their allotment and supplemented it themselves in order to hold local camps. We want to further that practice as much as possible and some of the increase will be for that purpose.

Mr. RHEAUME (Translation): Mr. Chairman, I would like to have an explanation as regards this item. We have had military camps at St. John's, but I cannot see their usefulness. The camp lasts two weeks and during three quarters of that time the officers indulge in drinking scotch and smoking cigarettes.

Mr. LAPOINTE (Translation): What are the privates doing during that time?

Mr. RHEAUME (Translation): They are idle, as usual.

I have here a bill for $70.74 worth of cigarettes bought from one of our local dealers' by a captain and receipted by a certain lieutenant; this bill has not yet been settled. On another occasion—I can divulge names—payment was refused on a bill for beer amounting to $144. Fortunately, the honorary colonel of the regiment was generous enough to send his own cheque to the St. John's merchant who had sold this beer.

I think that these camps have no usefulness. All classes of men are brought to camp, men of all ages, from 16 to 50 years old. They are kept there for two weeks at the country's

expense. Thefts and all kinds of disorders take place, notwithstanding this, grants are increased by $111,190.

I think that it is more than time to reduce the estimates of National Defence by discontinuing the training in camps, at general headquarters, etc., especially when the salaries of civil servants are reduced.

I fail to see the usefulness of these camps. If the hon. minister visited the military camp of St. John's he would soon realize the uselessness of them. I cannot understand why soldiers from St. John's are transferred to Ontario camps, when there exists in St. John's a military school, and when, moreover, the Department of National Defence has at its disposal the best sites in that town. I fail to see why such a camp should be maintained at a cost of some hundred thousand dollars.

I am amazed at the amounts voted for militia purposes. This year, there is a cut in the estimates of National Defence of $8,596, while the cut in those of agriculture amounts to $381,948. The estimates of agriculture are greatly reduced while there is hardly any cut in those of National Defence, yet hon. gentlemen opposite make no protest. I think that instead of making an outlay of $10,000,000 or $11,000,000 for militia purposes, agriculture should be better encouraged.

I request the hon. Minister of National Defence to kindly see that bills for beer and cigarettes are settled previous to the breaking up of camps, when regiments from Joliette or elsewhere are sent there. The solicitor of the merchant who sold the cigarettes referred to, wrote to the minister in this respect, on August 25, 1931. The minister's secretary replied and the hon. minister must have been apprised of the facts.

Item stands.

At six o'clock the Speaker resumed the chair and the house took recess.

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## After Recess

The house resumed at eight o'clock.

### PRIVATE BILL

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 16, respecting the Synod of the Diocese of Saskatchewan and to change its name to "Synod of the Diocese of Saskatoon." —Mr. Mackenzie King.

### CRIMINAL CODE AMENDMENT

The house resumed, from February 16, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 24, to amend the criminal code (unlawful associations), and the proposed amendment thereto of Mr. Guthrie.



Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, a number of observations made in the house during the course of this debate prompts me to rise to lay my views before parliament. It has been claimed by some hon. members that in the opinions we express in this corner we do not at times represent the organized labour movement in Canada. On this occasion, however, in the few observations I intend making on this particular bill, I think I fairly adequately express the viewpoint of the organized labour movement. Another reason that prompts me to rise at this time is that I represent in this parliament a constituency which is probably one of the strongest from the standpoint of the communist party. In that constituency, North Winnipeg, there is what I would call the real centre of the organized communist movement; from there they spread their tentacles in all directions. Therefore, if I speak on this question, I do so from a certain knowledge of the work and activities of the communist organization which has been discussed at such length in different sections of the house.

Before doing so, however, it may be as well that I refer to the fact that the legislation now before us arises from the circumstance that in 1918 a number of orders in council were passed and certain repressive measures were taken by the then government. Amongst the orders in council that were passed were those that made illegal in Canada certain organizations such as the Chinese Nationalist League, the old Social Democratic party and a number of similar organizations. Those who look back over the years and think of the action of the government of that day in repressing by law the activities of those associations will surely come to the conclusion that that action was most unwise.

But during the course of the present debate I could not help coming to the conclusion that many hon. members who have spoken have over-emphasized the importance of the communist party in this country; it has been receiving gratuitous advertising and has had thrust upon it glory and honour which it does not deserve. Canada is certainly in no danger from anything the communist party might do or even attempt to do. In fact, I believe we have a much greater danger to fear from the stand-patters than from the communist party. I happen to know something about its strength, because for a number of years

I have been most bitterly assailed and opposed by it; I have been opposed by it in quite a number of elections going back as far as 1924. Numerically it is rather small. In Winnipeg, where I said at the outset it is probably as strong as anywhere else in Canada, if I put its number down at about 3,500 to 4,000, I am giving it a fairly generous measure for the amount of support it has in that city. That figure has been tested out in a number of elections, and even as late as November last in the mayoralty contest in Winnipeg, when they named a candidate for mayor, their votes on that occasion amounted to approximately 3,500.

In addition to the numerical strength of the communist party, they have a certain amount of financial strength. As to that I must confess that I have not the faintest idea where they get all the funds of which they are possessed. Only recently in Winnipeg, when about twenty of their associates were committed for trial on a charge of rioting, they were able to place in the courts of that city the sum of $20,000 in cash as bail for those individuals. Where they got that money I really cannot say.

In addition to their financial strength they are possessed of many buildings in various parts of the dominion, and again I do not know where they obtained the funds to purchase those buildings. In my constituency they must own about six different buildings where they hold their meetings, where they gather together, where they have social events, and those buildings are usually paid for and maintained out of funds owned and controlled by the organization.

As regards section 98 of the criminal code, the real opposition of the communist party to this section in my opinion is the fact that it contains one clause which was elaborated upon yesterday by the former Minister of Justice (Mr. Lapointe) and which gives to the government the right to confiscate property in case of its being owned or controlled by illegal organizations. The real attack of the communist party against the whole of section 98 is not against that clause which infringes upon the right of free speech or of assembly, but against that clause which they feel might be invoked against them and whereby they might lose the property which to-day is nominally or actually in their possession.

Efforts have been made in the house by certain hon. members who, I think, ought to know better, and who, if they do not, ought to try to understand a little more about the matter, to link us in the labour party up with the work and activities of the communist party in Canada. It seems to me that those members have a very hazy understanding of some of our problems and of the meaning of the word "communist," and a similar hazy understanding of even the term "socialism" or the things for which we in the labour party stand. Fortunately or otherwise the term "communism" in the year 1933 has taken upon itself something of the character of those activities engaged in by the communist party in those countries where communism happens to be in operation. Now the only part of the world where the communist party is in the saddle to-day happens to be Russia, and so any action taken there by the powers that be becomes, so to speak, part and parcel of what some people like to call the activities of the communist party. On the other hand when we speak of anarchism we immediately confuse that term with the activities of the man who attempts to assassinate a ruler in some part of the world, and forget about the philosophy that underlies the theory of anarchism. Those who have read some of the books of Kropotkin and other philosophical writers on the theory of anarchism can see how far removed from anarchism are the practices of those who think they are following the ideas of the writers to whom I have just referred. Unfortunately or fortunately, communism to-day implies the things that are taking place in Russia, and naturally I do not blame anyone for condemning some of the things that are taking place to-day in soviet Russia. We of the labour party are totally opposed to a great many of the things which the communist party have done and are doing at the present time in soviet Russia. We believe fundamentally in an ordered democracy. We are opposed to all forms of dictatorship. We are opposed to a dictatorship in Moscow just as much as we are opposed to a dictatorship in Wall street. One is just as obnoxious to us as the other, and consequently when the communists in this country attempt to attack those who oppose them, their first line of attack is against those who happen to be part and parcel of the labour movement. And so in this country, as in many other parts of the world, we find those who are closely associated with the communist party attacking those of us in this house and outside who are associated with the labour movement more vigorously than those who belong to the Liberal or the Conservative party.

In this country the communist party has had control directly or indirectly of a number of organizations. Affiliated with them, as has

been previously pointed out, is the Canadian Labour Defence League, the Workers Unity League, the Farmers Unity League, the Workers and Farmers Educational Association, and a number of others, as to which I have ample proof in the files in my office. So far as the communist party in this country is concerned, we, here, of the labour party, have no associations whatsoever with them. In fact in my last election the only party that had any associations with the communist party happened to be the Conservative party. At one of my election meetings at which the communists were present in large force I was not allowed to speak, and after the meeting one of the leading Conservatives in that part of the city where the meeting was held spoke to the crowd and said: "If you cannot support the Conservative party, then by all means vote for the communist candidate."

I was saying, Mr. Speaker, that we, here, of the labour party are totally opposed both to the tactics and to the ideas of the communist party as expressed in this dominion. There have been, as I said before, certain hon. members who have tried to associate us with the communist movement in Canada. I would point out to the hon. members of this house that in my last election when I was running in North Winnipeg about two and a half years ago the only districts in which I attempted to hold meetings were those in which the communists claimed to be strongest, and it was my privilege, if I call it such, at every one of those meetings to be howled down and prevented from speaking by those very people who to-day are howling for the rights of free speech in Canada.

I have no fear in the least so far as the communist party in Canada is concerned. Those who have studied British history and imbibed its traditions must realize that institutions such as parliament which have existed for about seven hundred years are not so easily going to be turned upside down by the talk and cry of a few individuals who have no knowledge of British history and of the traditions of British parliamentary institutions. In this country the strength of the communist party lies almost entirely among those of the foreign-speaking population in this dominion. It is an unfortunate fact, and one that I regret extremely. I have been in public life in this parliament or in public office for a period of over sixteen years, and during the whole of that time I have attempted to the best of my ability to do all I possibly could do to prevent racial hatreds. I have tried to bring together the component parts of our Canadian citizenship in order that we might build up a Canada that is worth while both for ourselves and for the generations that are to come, and when I see the activities of these people who are of more recent origin in this Dominion of Canada I feel that they are not only doing a disservice to themselves but a tremendous disservice to all those people who have come to our shores during their own lifetime. I know how easy it is to stir up racial hatred in almost any part of the world. In my own constituency, comprising about 63,000 people, about forty per cent of them, or fully 25,000, are of what might be called foreign nationality, and among this 25,000 are to be found, almost exclusively, those who have come to this country from Russia. We find a section of them imbued with the idea that the only way in which improved conditions can be brought about in this dominion is by doing what has been done in Russia. The actions of this comparatively few people in Canada are having a bad effect, to my way of thinking, in a most unexpected and undesirable way. They have created amongst sections of our Canadian people a distrust and a misunderstanding of large sections of the foreign-born population of the dominion, and if some of those communists who think they are performing a useful service by their actions could only see some of the results of their activities, I am inclined to think that a great many of them would change their ways.

I have attempted to indicate the feelings of the communist party in Canada towards those of us who in some way or other have been connected with the labour movement in Canada. Those hon. members who have been attempting to link my colleague from Winnipeg North Centre (Mr. Woodsworth) with the activities of the communist party really must not have read anything that that party has had to say about the hon. member. He has been described in this house as one who is always attempting on the floor of the house to support the activities of communist organizations. I suggest that is hardly in keeping with the facts. We find that away back in 1925, when I first became a member of this chamber, we asked the then government—which was not exactly in power, but was in office—to enact certain legislation. At that time they consented, but there was nothing extraordinary in their action because prior to 1925 they took exactly the same stand as they did subsequently. Communications passed between the then Prime Minister and my colleague from Winnipeg North Centre concerning this very question. They undertook to bring in remedial measures looking towards either the amending of section 98 or its deletion from the criminal code.

During all these years that the hon. member for Winnipeg North Centre has been attempting to have this clause deleted from the criminal code, unkind and untruthful statements have been made about him. I shall attempt to outline some of the statements which have been made—and may I add that what has been said about him has been said about other hon. members, including myself. In a short article I have before me, published a little over two years ago, there is reference to the hon. member for Kenora-Rainy River as "Peter Heenan, the typical renegade." Then, in one of the communist papers there is reference to "Woodsworth and Heaps at the old faker's game." There is hardly an issue of the communist paper in which there is not a reference to some hon. member in this corner of the house, and on all occasions we are referred to as fakers or traitors of some kind or another.

I shall give one further illustration by referring to an article written about a year and a half ago by a gentleman who is now spending his time in Kingston penitentiary. This article, which concerns Mr. Woodsworth, and is taken from the Labour Monthly, is as follows:

Mr. James Woodsworth, the recent labour faker, does his share in betraying the workers' interests by adding his voice to the renewed anti-soviet war agitation. This slave of the capitalists utilizes his recent visit to the U.S.S.R. for a series of articles in the capitalist press directed, together with all other garbage press reports, to undermine the growing confidence of the workers in the success of the socialist republics.

I commend that article to the attention of the hon. member for Toronto Northwest (Mr. MacNicol). These are statements made openly in an effort to create a feeling of hostility towards some hon. members who happen to sit in this House of Commons. I shall attempt to tell hon. members what is done behind closed doors, because I have in my possession a document which I shall quote because in my view it will prove interesting reading. This letter comes from the city of Toronto under date of April 21, 1931, and is as follows:

To All Party Functionaries

Dear Comrades:

This mimeographed pamphlet contains a special letter of the organization department of the communist international. It deals very concretely with the very important problem of shop work. It does not only tell what is necessary to do but it gives a wealth of materials as to how it is to be done.

This letter, signed by the central organization department, then proceeds to give the following instructions from abroad to its membership in the Dominion of Canada:

All the social democratic and reformist officials in the factory should be severely criticized in the propaganda and agitation in the factory nucleus with the help of communists factions and especially the factory paper each number of which should cite facts exposing the treacherous anti-working class part played by these agents of the bourgeoisie in the factory.

That, of course, had reference to the fact that men like my colleagues from Winnipeg North Centre and Vancouver South (Mr. MacInnis) had to be exposed, and our treachery laid bare to the great mass of workers in Canada or in other parts of the world. Immediately this circular was received by the organization in Winnipeg its membership was told to vilify, abuse or slander those who are part and parcel of the labour movement in Canada, and who do not owe any allegiance whatsoever to those associated with the communist party.

I believe I have given sufficient evidence to indicate the hostility of the communist party towards some hon. members in this corner of the house, and I should like to indicate that our feelings towards them are of a similar nature. There is absolutely no analogy in the things for which we stand, and we have little in common. When I turn to some of the statements which have been made in this house I cannot help but feel how essential and necessary it is to have section 98 removed from the criminal code. I am sorry, sir, that you are acting in the place of Mr. Speaker, because I wish to refer to a statement made by the hon. member for Toronto Northwest. Of course I have the advantage that when he is in the chair he cannot reply to my statements.

Speaking in this chamber last night the hon. member to whom I have referred seemed to take offence at some of the statements made by the hon. members for Southeast Grey (Miss Macphail) and Winnipeg North Centre. He seemed to be particularly grieved to think that anything could be said about another chamber not far removed from this one, and in that connection quoted the following words of the hon. member for Winnipeg North Centre:

"It is absurd for the Senate, a body without responsibility, to veto measures passed by the elected representatives of the people," he declared. Assailing the capitalist system, he urged his hearers to be ready with practical solutions for some system to replace it as it crumbled.

The hon. member for Toronto Northwest seemed to feel that my colleague ought not to be allowed to make such statements, and

for that reason he urged that section 98 ought to remain. Imagine a person saying that the Senate was not a responsible body! It would appear that in the view of the hon. member for Toronto Northwest the gentleman responsible for the statement quoted had been guilty of something approaching sedition. I should think that in these days when the Senate has been reformed, and is of a certain complexion, it might be classed as a responsible body. I suppose when they change their complexion, either one way or another, they become irresponsible. To-day they are not responsible, in the eyes of those who sit to the left of Mr. Speaker, but are responsible in the eyes of those who sit to his right. There was a time not long ago when even the Conservative party had in its platform a suggestion that the Senate was not a responsible body.

I do not think the hon. member for Winnipeg North Centre was far from the actual fact when he suggested the crumbling of the capitalist system. To-day we see it under our very eyes, and are helpless in the situation. When the hon. member referred to the system I presume he referred not only to Canada but to other parts of the world as well. When we see in the state of Michigan people unable to withdraw their savings from the banks, we cannot help but feel there certainly must be something wrong with the whole capitalistic structure.

Then the hon. member for Southeast Grey (Miss Macphail) proceeded:

> The House of Commons is the place where we must enter—I almost said capture.

When the Conservative party in the last election used those terms it was perfectly legitimate, but the moment they are used by the hon. member for Southeast Grey it verges on sedition.

> If every member of the house were a free citizen voting on what seemed to him best, we would not be in the mess we are in.

Those were terms used by the hon. member for Southeast Grey. Some members of this house object to that kind of language being used by a member of parliament, and therefore ask that section 98 of the criminal code be allowed to remain on the statute book. The expression of views of that kind by certain hon. members clearly indicates the need for the deletion of section 98.

It has been claimed further that we should retain the section on account of the conditions that prevail at the present time. I am free to admit that there is a great amount of unrest in Canada, more than there has been for a number of years. But that has not been caused by any action of the communist party, for the communist party is not responsible, nor is even the labour party, for the economic conditions that now prevail.

Mr. HANSON (York-Sunbury): They have just taken advantage of them.

Mr. HEAPS: Just the same as hon. members opposite took advantage of economic conditions in 1930. It is a poor rule that does not work both ways. Section 98 of the criminal code will not prevent any political organization from taking advantage of the conditions that prevail. I think if we want to do away with the communist party in Canada we are not going to achieve that result by repressive measures. I would far rather we attempted to do it by changing the conditions that at present exist so that every one who is now out of a job may have employment under decent and healthy conditions. By retaining section 98 in the criminal code we are trying to repress ideas held by individuals. I am one who objects to the use of force, I care not by whom, because force is no remedy for the existing conditions. Force, wherever used, cannot maintain itself permanently, because force begets force; if any party has to be maintained in power by force its power cannot be lasting.

It was pointed out yesterday by the ex-Minister of Justice (Mr. Lapointe) that a person who had in his possession Plato's Republic was charged with sedition. I know people who have been charged with sedition because they quoted certain passages from the Bible. A person so minded could go into a home where there was a Bible and charge the person having such Bible with being in possession of seditious literature. I know people who were charged with sedition, against whom the use of certain passages from the Bible was given as evidence.

Ideas can be classified into two categories, the good and the bad. Those of us who are believers in democratic government have faith in the people, believing that ideas that are bad will be discarded and ideas that are good will ultimately prevail. If ideas are good, I do not care whence they come, let them come out into the open, we have no reason to be afraid of them; if ideas are bad, let them still come out into the open, for I think that is the best way to kill them. By attempting to suppress them we only force them underground, and they thereby become possessed of a strength far greater than they would otherwise have. Consequently I would much rather see us err on the side of leniency, as far as legislation is concerned. Let us have

faith in the people of this country, because I am satisfied they will pick out the ideas that they think are best suited to our needs, and in the final analysis we can trust the people to give Canada the government that they themselves desire.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, in rising to discuss briefly section 98 of the criminal code, I wish first to say to my hon. friend who has just taken his seat (Mr. Heaps) that his speech, from the standpoint of fairness, was admirable. The striking thing about it to me was that in his thirty minutes' denunciation of the communist party comprising the first part of his speech he was in my view building up a case for those who stand for retaining section 98 in the code. When an effort is made to indicate that those who believe section 98 should remain as it is are actuated by a desire to include within the ambit of section 98 statements such as my hon. friend has attributed to the hon. member for Southeast Grey (Miss Macphail) and the hon. member for Winnipeg North Centre (Mr. Woodsworth), speaking in Toronto, such as that about capturing the House of Commons, it goes so far outside of anything contained in section 98 as it now stands as to indicate at once that a red herring is being drawn across the trail and an attempt made to divert the public mind from what is actually contained in that section.

Speaking in the house the last evening this measure was under consideration, the hon. ex-Minister of Justice (Mr. Lapointe) made two statements to which I would like to refer. First he said that both in Great Britain and in Canada efforts had been made by judicial and parliamentary bodies to define sedition. If his argument meant anything it meant this, that notwithstanding all these efforts, these bodies had found it practically impossible fully to define sedition. And he stated that the common law made provision by which juries and courts could in their own way, as each particular situation arose, define what sedition actually was. Speaking as a layman, not a lawyer, it appears to me that there is certainly nothing in section 98 that in the least degree circumscribes anything that is in the common law or any statute with relation to sedition. The particular class of people or the particular offences that come under this section of the code are clearly set out. There cannot be any misunderstanding, it is expressed as clearly as the English language can make it. In a moment or two I will read the vital clause in the section that defines exactly what the section aims at.

The ex-Minister of Justice also made reference to the origin of section 98, and if I understood him correctly—I have not checked it up in Hansard—he stated that section 98 was a war measure. As a matter of fact section 98 was not a product of the war and did not come into existence because of war conditions. Section 98 was written into the criminal code because of disturbances that took place in the city of Winnipeg, when the persons against whom the section is directed and their agents, directed as to the actions they should take from a foreign country, undertook to turn into a virtual insurrection a simple dispute between a group of working men and their employers, such as we have had in Canada for as long as my memory takes me back and such as we will have again under ordinary conditions. The people, directed as they were to carry out that act, seized the government of the city of Winnipeg and undertook to seize the postal service and to destroy the transportation system of this country. I have here part of the instructions which were forwarded to the committee operating in the city of Winnipeg before this move was taken. These were contained in a letter written by the gentleman who is now the head of the communist organization in the United States, and who then styled himself the head of the One Big Union, with headquarters in Chicago. I intend to read part of his letter to the Winnipeg committee which, as I said a moment ago, undertook to turn into a virtual insurrection a simple dispute between a group of working men and their employers. That is exactly what the communist party of Canada is endeavouring to do to-day. And, if I may say so, notwithstanding what my hon. friend has said and not endeavouring in the least to link him up with it, I want to say now that the political labour party, as represented in this House of Commons, does not in any sense represent organized labour in Canada as we know it.

Mr. HEAPS: I would deny that statement absolutely.

Mr. NICHOLSON: I have no doubt my hon. friend will deny it, but I happen to know the viewpoint of a very large body of men throughout this country who form the backbone and the head and front of the organized labour movement. Let me read what Mr. Fred G. Biedenknapp, general organizer of the One Big Union, wrote from Chicago just before the Winnipeg insurrection:

> The true communist and labour leader rejoices more over one unsuccessful strike than over ten strikes that succeed.

And I presume the hon. member who has just spoken will agree with that statement.

What the O.B.U. and similar organizations aim to create is not better working conditions for the average man but worse conditions. The workingman, or organization of workingmen, who strikes for higher wages and gets them, or for better working conditions and fewer hours of labour, and gets them, is not the material from which revolutionists are made. He is likely to be contented and take a conservative so-called sane view of a world in which the conditions have been easier and better for him. On the other hand, the striker, or group of strikers, who fails, are likely to be more embittered against the employers, the whole employing class and society generally and after repeated failures of this kind they will come to the conclusion that striking and voting are alike useless to improve the workingmen's lot, and they will listen to the red who talks intelligently of direct action and the overthrow of society and forms of government as at present constituted.

We have heard a lot of this in recent times from public platforms across Canada.

We have already two million workers—

My hon. friend said Winnipeg had two thousand of those.

—members of the O.B.U., and our numbers continue to grow as one successful strike follows another. Therefore, we, of the new vision, encourage strikes not because we desire to better the workingmen's conditions but in order that they may fail.

Our first aim must be to destroy organized labour as it has previously existed. It is one of the chief obstacles to a successful revolution in any country where it exists.

Mr. HEAPS: What is the date of that letter?

Mr. NICHOLSON: June, 1919.

Mr. HEAPS: That was months after the strike started.

Mr. NICHOLSON: There is no use trying to sidestep it; my hon. friend knows that what I say is correct. The strike in Winnipeg did not amount to anything; it was nothing more than the strike of the employees of a small basket factory, or something of that kind. The fact is that the strike was used in order to bring about a revolution in the city of Winnipeg. The government of Winnipeg was actually seized, and as an evidence of the character of the government that was sought to be set up by these people, their first act was to deprive the children of Winnipeg of their supply of milk.

Mr. HEAPS: That is not correct.

Mr. MacMILLAN: Yes, it is.

Mr. HEAPS: I was a member of the city council at the time, and I should know something about it.

Mr. MacMILLAN: You were also a member of the strike committee, so you should know something about it.

[Mr. Nicholson.]

Mr. NICHOLSON: Now let me come to the part of section 98 that is the cause of the whole discussion. The section it is desired to repeal reads as follows:

Any association, organization, society or corporation, whose professed purpose or one of whose purposes is to bring about any governmental, industrial or economic change within Canada by use of force—

My hon. friend spent half an hour, and the hon. member for Winnipeg North Centre (Mr. Woodsworth) has spent hours in endeavouring to convince members of this house that this is the very thing they desire to condemn. They profess to be against those who would bring about changes in the social and economic order of this country by—

—force, violence or physical injury to person or property, or by threats of such injury, or which teaches, advocates, advises or defends the use of force—

Every other part of this section is linked up with these specific acts set out in paragraph one of this section. Let me read them again:

—to bring about any governmental, industrial or economic change within Canada by use of force, violence or physical injury—

What are the arguments that have been brought forward for the annulment of this section, and to take away that protection from the Canadian people? My hon. friend from Winnipeg North Centre, in introducing his bill a few days ago, said that because of section 98 of the criminal code eight men are now lying in the penitentiary at Kingston, convicted under that paragraph. I am not going to take time to look up Hansard for his exact words, but I think the hon. member will agree that he made this statement. What is the only meaning that can be taken from the hon. gentleman's plea? It is that these men are there unlawfully; that the state brought these men to trial and convicted them of doing things that section 98 says decent, ordinary citizens shall not do in this country. Of what were they convicted? They simply formed an unlawful assembly or association. These people are like ordinary cowards, if I may say so; they run in packs and in groups, and their work is carried on by groups.

I was extremely interested, Mr. Speaker, in the remarks of the hon. member for Winnipeg North Centre, who admits that in his constituency he is surrounded by these people, and who tells us that he has been opposed by them over a long term of years.

Mr. WOODSWORTH: No, that was not the hon. member for Winnipeg North Centre.

Mr. NICHOLSON: Perhaps the hon. member for Winnipeg North Centre will try once or twice to possess his soul in patience and keep his seat while other hon. members are speaking.

Mr. WOODSWORTH: Mr. Speaker—

Mr. NICHOLSON: I referred to the hon. member who has just resumed his seat.

Mr. WOODSWORTH: That is all very well.

Mr. NICHOLSON: This is what the hon. gentleman referred to, something that has been referred to in this house many times over. He asked: Where do these people get their money? My hon. friend says that they have a tremendous amount of property in Winnipeg. It is well known that none of them work, they are not engaged in any useful industry or business, the only thing they do is to go across Canada in an endeavour to create dissension among our people and, as my hon. friend admits, take advantage of the times through which we, in common with the whole world, are passing, in order to attempt to break down our social system. My hon. friend said, just as I have said many times over: Where do these people get their money? I could give the house one or two illustrations of where they get their money, illustrations which would indicate that they are getting it from somewhere outside of Canada. The money which these people are spending in the city of Toronto, in northern Ontario, in Kirkland Lake, in Sudbury, in Copper Cliff, and at Hearst, the money they have spent to bring about riots and all that—where is it coming from?

An hon. MEMBER: Russia.

Mr. NICHOLSON: That is it exactly, it is coming from Russia. It is sent into Canada and the agents are in this very city.

Mr. IRVINE: Some of it comes from the Conservative party; I can give my hon. friend an instance of that.

An hon. MEMBER: Nonsense.

Mr. IRVINE: No, it is not nonsense.

Mr. NICHOLSON: My hon. friend might tell the house from what joke book he got that.

Mr. IRVINE: From the hon. member for Athabaska (Mr. Davies).

Mr. NICHOLSON: The hon. member must have been listening to Amos 'n' Andy before coming here to-night.

Mr. IRVINE: I am listening to Amos now.

Mr. NICHOLSON: The hon. member is listening to one of those who stand for law and order in this country.

Mr. IRVINE: Disorder.

Mr. NICHOLSON: And he will continue to stand for law and order, and will endeavour as far as possible to oppose those who want to bring about a condition which would make it impossible to carry out the very things outlined in this statute.

I do not intend to refer in detail to the remarks of the hon. member who introduced this bill (Mr. Woodsworth), but I should like to quote briefly from Hansard of February 14, at page 2098. The hon. member for South-east Grey almost went into a fit of apoplexy last night because another hon. member suggested that the hon. member for Winnipeg North Centre had used the word "force" or had suggested that force might be used. In introducing the bill to amend section 98, after referring to something which had taken place in Manitoba and in England, the hon. member went on to say:

> My point is that if the use of force under certain circumstances is so well recognized by our own leading men, and has been so generally recognized all down through the years, it seems very like persecution to set up a law that permits a certain group of men whose opinions are repugnant to the majority of people in Canada to be persecuted simply for holding that in certain contingencies resort must be had to force.

Those gentlemen who are residing to-night —I sincerely trust they will remain there for some time—within the portals of Kingston penitentiary advocated the use of force in this country.

Mr. WOODSWORTH: Mr. Speaker, I think in fairness it should be said that these men were prosecuted because they belonged to an organization.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: The hon. member should not interrupt without the permission of the speaker.

Mr. NICHOLSON: I will accept the hon. gentleman's correction. He states that they were not convicted individually for advocating force but were convicted as an association for advocating force—combined force instead of individual force. His words are specific; he states that these people should not be punished simply for holding that in certain contingencies resort must be had to force. There is nothing in this act which prevents a man from defending himself, from using force to defend his family or his home, but there is something in the act which prevents

him from entering into a conspiracy with other people to destroy my home or to destroy society as a whole. Hon. members have referred to the position of organized labour and the churches, they have mentioned the petitions sent in here against section 98 of the criminal code, but they know perfectly well that there is nothing within the four corners of that section which would affect in the least degree any man who is willing to abide by the law and live as a decent Canadian should live. There is nothing against a man who is willing to endeavour to create harmony instead of distrust and disrespect.

For these reasons I shall vote to have section 98 of the criminal code left just as it is.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I believe that those who advocate force when in power would have no hesitation in using it when out of power in order to gain their end if they had the opportunity, and so I am beginning to feel rather afraid of removing section 98 from the statute book. In anticipation of the success of the Cooperative Commonwealth Federation at the next election, I would not be a bit surprised if we might not want to use section 98 against the unlawful assemblies of hon. gentlemen opposite who are now advocating the use of force against helpless people who have speeches to make. It is quite possible that this section will be of some use sooner or later.

The hon. member who has just resumed his seat (Mr. Nicholson) has indicated that a man is at liberty to use force in defence of his family and home. If the western farmer hears that it may create a great deal of trouble.

Mr. NICHOLSON: It certainly will when the Cooperative Commonwealth Federation tries to operate.

Mr. IRVINE: The western farmers may want to defend their homes against foreclosures, and they may quote the words of my hon. friend which gives them the liberty to use force in defence of their homes against foreclosures by sheriffs, and such like. He had better be careful or he may be getting into trouble.

Mr. DEPUTY SPEAKER: The hour for private bills has elapsed.

## SUPPLY

### DEPARTMENT OF AGRICULTURE

The house again in committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

[Mr. Nicholson.]

Contributions to Empire Bureaux, $21,000.

Mr. MACKENZIE KING: The minister was to give some information as to where these different bureaux were located and what they were doing.

Hon. ROBERT WEIR (Minister of Agriculture): Information was asked regarding the location of these bureaux. They are all in the United Kingdom, two in London and eight others at different places in England, Scotland and Wales.

Mr. MACKENZIE KING: What is the nature of the work they are carrying on?

Mr. WEIR (Melfort): Their work is to accumulate from all parts of the empire results of research work and to disseminate that information through the different parts of the empire. Last year I believe they sent out reports numbering in the neighbourhood of 10,000. This is just a machine for accumulating the results of research and disseminating them. The contract is for five years, from 1929 to 1934.

Item agreed to.

International Institute of Agriculture, $8,500.

Mr. MACKENZIE KING: Will the minister please explain the work of this institute?

Mr. WEIR (Melfort): This institute is also a machine for the gathering of agricultural statistics and reports, and disseminating them through the various countries that contribute to its upkeep. It is not an empire but a world arrangement.

Mr. McINTOSH: Where is it located?

Mr. WEIR (Melfort): In Rome.

Mr. YOUNG: How often does it send out reports?

Mr. WEIR (Melfort): Regularly, annually.

Mr. YOUNG: I understood this institute was organized for the purpose of keeping the world informed as to the situation in regard to grain, that is the supply and demand, so that people could form an estimate of what the price should be. If the report is an annual one, it would be rather out of date.

Mr. WEIR (Melfort): In addition to the annual report, they make intermittent reports or they will send reports to any countries that ask for them, but these are summarized in the annual report.

Mr. DONNELLY: Why is there this decrease?

Mr. WEIR (Melfort): There is a set sum for membership, but the decrease is due to exchange values, I believe, and also to the

fact that we do not make the same contribution towards its publications. Part of the vote is set aside for publications.

Mr. WEIR (Macdonald): To whom would they make reports? If requests were made for reports, would the reports be made to the government or to the private corporation? I presume the reports come annually to the government.

Mr. WEIR (Melfort): To the Department of Agriculture.

Mr. WEIR (Macdonald): Then the department would furnish that report to the interested party?

Mr. WEIR (Melfort): Yes.

Mr. DONNELLY: Is this only in connection with grain or does it deal with other matters?

Mr. WEIR (Melfort): All farm products, chiefly grain.

Mr. COOTE: Would the minister give us some idea of the length of the report and where the volume is available? Is it available in the library or in the department, and how voluminous is it?

Mr. WEIR (Melfort): A large number of volumes of the report are available in the library of the Agriculture department and elsewhere in the department.

Mr. DONNELLY: How many countries subscribe to this?

Mr. WEIR (Melfort): In the neighbourhood of forty. I believe the number changes from year to year.

Mr. HANSON (York-Sunbury): When did this grant first begin to be made?

Mr. WEIR (Melfort): In 1907.

Mr. YOUNG: Can the minister tell us whether the reports sent out by this institute are anything like those we get regularly from Broomhall?

Mr. WEIR (Melfort): Broomhall's reports are practically entirely grain reports. No doubt they will use the reports of the international institute to check up their information.

Mr. McINTOSH: Is there any relation between the two items, the International Institute of Agriculture and the empire bureaux, of which we have been speaking?

Mr. WEIR (Melfort): None.

Mr. YOUNG: If I remember rightly, a long time ago I read something of this institute and I understood it was organized for the purpose of collecting accurate statistics as to the supply of grain throughout the world with a view to enabling people to estimate fairly correctly what the market price should be and to know whether violent fluctuations were justified. The information given by the minister would indicate that such was not the case; that it was issuing reports at long intervals, so that they would be practically valueless from the point of view of the object for which the bureau was organized.

Mr. WEIR (Melfort): If I gave that impression, I did not intend to do so. The following information is given so far as Canada is concerned.

By cable dispatches as soon as received:

1. Statistics from every adhering country on area sown, prospective crops, quality of crop, total crop.
2. Information concerning nature and extent of animal and plant diseases and insect attacks as they occur.
3. Statistics of exports and imports of foodstuffs and feeds.

By correspondence or through publications:

1. Information statistical, technical or economic concerning farming, both vegetable and animal products.
2. Information concerning the commerce in agricultural products and the prices prevailing in the various markets.

The institute publishes four monthly bulletins and two year books namely:

(a) Monthly Bulletin of Agricultural Economics and Sociology.

(b) Monthly Crop Report and Agricultural Statistics.

(c) Monthly Bulletin of Agricultural Science and Statistics.

(d) International Bulletin of Plant Protection.

(e) International Year Book of Agricultural statistics.

(f) International Year Book of Agricultural Legislation.

Besides these periodicals the institute publishes from time to time comprehensive monographs on various subjects of universal interest which have been more particularly investigated.

The outstanding value of the statistical data published by the institute is that they are reduced, from whatever country they have been obtained, to a common comparative basis so that on simple inspection one grasps easily their relative importance.

Mr. YOUNG: How often are these reports sent out—some of them monthly, some annually?

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: Did I understand the minister to say that Broomhall bases his estimates on these reports?

Mr. WEIR (Melfort): I would say that he may use these reports to check up his own estimates.

Mr. VALLANCE: The minister has explained the difference between the amount of the item for 1933-34 and that for 1932-33. I see the amount this year is $8,500. What is the basis for Canada's quota of $8,500?

Mr. WEIR (Melfort): The countries are arranged in various groups, and Canada is in a group with that quota.

Mr. VALLANCE: Is that the average amount paid by the different countries, or what is the basis?

Mr. WEIR (Melfort): At the time the institute was established, this was the amount that was considered fair for a country of Canada's population in comparison with other countries.

Mr. WEIR (Macdonald): After this information is received, how is the information put out in Canada? Are publications issued based on the information received?

Mr. WEIR (Melfort): The information received is given on request. It is also disseminated through the bureau of statistics and other channels of government service.

Mr. SPENCER: If I remember correctly, Canada has sent representatives to conventions of this institute from time to time. On what basis are the different countries represented at such conventions? Is the representation based on the amount paid by each country, or according to population, or the amount of grain grown?

Mr. WEIR (Melfort): Each country has so many units which determine its representation.

Mr. VALLANCE: The different countries which are members of the institute pay a certain percentage.

Mr. WEIR (Melfort): Yes; there are some forty countries.

Mr. SPENCER: Does each country pay the expenses of its own delegates?

Mr. WEIR (Melfort): Each country looks after its own representation, and so far as Canada is concerned it has been the practice on some occasions to be represented by the British delegate.

Mr. MOTHERWELL: Can the minister tell us if the United States is still represented in the institute? About three years ago the United States was on the point of withdrawing, for a number of reasons which seemed substantial to them, but I have not heard if they have actually withdrawn. Has the United States or any other country withdrawn?

[Mr. R. Weir.]

Mr. WEIR (Melfort): My impression, which I shall be glad to verify, is that the United States have withdrawn officially, but they still maintain a contact with it. I have not precise information here.

Item agreed to.

Publications, $28,231.

Mr. VALLANCE: The vote for the previous year was $7,500. Why the increase this year?

Mr. WEIR (Melfort): Let me explain that by first explaining the decreased vote last year. Last year, when we were endeavouring to cut estimates as low as possible, it was felt that by making use of all the supplies of material left over from the previous year, we could carry on with a smaller vote. That has all been expended, and this year we have to have an increase.

Mr. McINTOSH: What are the names of these publications, or are they too numerous to give to the committee?

Mr. WEIR (Melfort): They are not really publications. This is to pay for the service of sending out publications.

Mr. GERSHAW: How does the department compile lists of farmers to whom these publications are to be sent? I realize that the publications contain much valuable information, and I know farmers who have been anxious to get it but have never succeeded unless they wrote specially for the information they wanted.

Mr. WEIR (Melfort): Different methods have been tried from time to time. It has been felt that to send out the publications indiscriminately would mean a good deal of wastage, because many of them might not be read at all. A list of the publications available is published from time to time, or any farmer who writes to the department for a particular publication receives it, and when the publication is sent to him there goes with it a list of new publications; he is requested to mark any that he wants, and they are then sent to him.

Mr. YOUNG: This vote is to pay for sending out the publications, for the services of the clerks addressing envelopes, and so on?

Mr. WEIR (Melfort): Yes, addressing envelopes and duplicating.

Mr. YOUNG: Under what item is the cost of the publications themselves?

Mr. WEIR (Melfort): That comes under each branch.

Mr. YOUNG: What is the total cost of all the publications?

Mr. WEIR (Melfort): That would come under the votes for the various branches. The cost of the experimental farm publications, for instance, would come under the experimental farms branch. I have no record showing the total cost of the publications under each branch.

Mr. YOUNG: It would be interesting to have that.

Mr. WEIR (Melfort): I shall be glad to see if I can get it.

Mr. DONNELLY: Do the weekly farm reports come under this vote?

Mr. WEIR (Melfort): They are prepared in the branch concerned and distributed by the publications branch.

Mr. MACKENZIE KING: Are the clerks who perform this service appointed by the Civil Service Commission or by the minister without regard to the commission?

Mr. WEIR (Melfort): I understand that they are civil service appointments.

Item agreed to.

Dairying, $246,300.

Mr. VALLANCE: In view of what the Prime Minister said the other day when speaking of the Russian barter proposal, would it best suit the convenience of the minister to discuss that proposal under this vote or under the live stock vote? The Prime Minister promised that when the agriculture estimates came up we would be given the opportunity to discuss the whole Russian barter proposal. As a certain percentage of the cattle concerned in that proposal were dairy cattle, it occurred to me that the minister might wish to have the question discussed under this vote. I am quite prepared, however, to suit his convenience in the matter.

Mr. WEIR (Melfort): I appreciate the spirit of the hon. gentleman's remarks. I understand that the Minister of Justice, when a question was asked him the other day, said that the Russian barter proposal could be discussed under the live stock item. As the papers were not submitted until this afternoon perhaps it would be satisfactory to members of the opposition, as it would be to me, to defer the discussion until the live stock vote comes up.

Mr. VALLANCE: Thank you.

Item agreed to.

Cold storage warehouses, $140,000.

Mr. VALLANCE: There is a reduction of $60,000 in this item. Just how does the minister propose to make that cut?

Mr. WEIR (Melfort): On the basis of the requests last year it was felt that we could carry on this year with $140,000. It is expected that that will meet all present commitments and, allowing for certain contracts not being completed, there will be sufficient to take care of any new or contemplated obligations for this year. It is also felt that at the present time there is no shortage of cold storage space.

Mr. REID: In what cold storage plants are these commitments to be expended this year?

Mr. WEIR (Melfort): The commitments are as follows:

| Name | Location | Amount |
|---|---|---|
| Nova Scotia Public Fish and Cold Storage Terminals, Limited. . | Halifax, N.S. | $41,352 36 |
| Pacific Coast Terminals, Limited | New Westminster, B.C. | 23,784 34 |
| Norfolk Fruit Growers Association (1) | Simcoe, Ontario | 2,500 00 |
| Norfolk Fruit Growers Association (2) | Simcoe, Ontario | 4,000 00 |
| Penticton Co-operative Growers Association | Penticton, B.C. | 1,770 15 |
| Prince Edward County Fruit Growers | Picton, Ontario | 4,403 23 |
| Georgian Bay Fruit Growers, Limited | Clarksburg, Ontario | 2,560 00 |
| Trenton Cold Storage Company, Limited | Trenton, Ontario | 6,200 00 |
| La Sarre Creamery | La Sarre, Quebec | 320 00 |
| Middlesex Growers Co-operative | Strathroy, Ontario | 1,526 25 |
| W. L. Hamilton | Collingwood, Ontario | 805 00 |
| Thedford Cold Storage Company | Thedford, Ontario | 4,340 00 |
| Kelowna Growers Exchange (1) | Kelowna, B.C. | 4,060 00 |
| Kaleden Co-operative Growers Association | Kaleden, B.C. | 4,235 00 |
| Berwick Fruit Company | Berwick, N.S. | 4,703 37 |

Mr. JOHNSTONE: Is the vote for the purpose of repairs or for building new plants?

Mr. WEIR (Melfort): It is for new cold storage equipment.

Mr. BOTHWELL: What revenue is derived from those cold storage warehouses?

Mr. WEIR (Melfort): There is no revenue to the government.

Mr. TOTZKE: What percentage does the government pay towards the building of these plants?

Mr. WEIR (Melfort): Thirty per cent spread over four years.

Mr. REID: Could the minister tell us the total amount paid to the Pacific Cold Terminals Limited in New Westminster?

Mr. WEIR (Melfort): Is the hon. member referring to the total payment?

Mr. REID: Yes, the total payments which have been made.

Mr. WEIR (Melfort): We will have to work out that information, and will be in a position to give it in about five minutes.

Mr. McINTOSH: Is there any application from any part of Saskatchewan which could not be accepted because of the cut in the estimates?

Mr. WEIR (Melfort): My information is that there has not been.

Mr. LUCAS: Can the minister tell us the total number of cold storage warehouses in Canada?

Mr. WEIR (Melfort): Does the hon. member refer to the plants to which contributions have been made?

Mr. LUCAS: I refer to the plants which come under this vote.

Mr. WEIR (Melfort): Fifty-seven warehouses have been subsidized under authority of the act.

Mr. MOTHERWELL: Has the minister any information with respect to the interesting experiment being carried on in the Pacific cold storage terminals in connection with the freezing of fresh fruits, such as strawberries and loganberries? Large quantities of these fruits were shipped and frozen, and turned out afterwards in fresh condition. Is that experiment being continued?

Mr. WEIR (Melfort): Yes, it is being continued, and the experiment is working out satisfactorily.



Mr. MOTHERWELL: How are the revenues of cold storage plants standing up in these hard times?

Mr. WEIR (Melfort): I understand they are all in operation, and in view of the times through which we are passing they are doing very well.

Mr. MOTHERWELL: They are all in operation?

Mr. WEIR (Melfort): Yes, all in operation.

Item agreed to.

Fruit, including grant of $5,000 to Canadian Horticultural Council, $456,200.

Mr. TOTZKE: Why is there an increase in this item?

Mr. WEIR (Melfort): I believe some of the $30,000 increase is for travelling expenses, and some of it is necessary on account of the shortage in equipment which was brought about by a smaller vote last year. Then, there is an additional staff for apple maggot work in Ontario and the maritimes.

Mr. VALLANCE: Does the minister still think the Canadian Horticultural Council should receive this $5,000?

Mr. WEIR (Melfort): Yes, I do.

Mr. VALLANCE: Why?

Mr. WEIR (Melfort): They are perhaps the most representative body that we could have in an agricultural industry, and it is of great value to the government to have such a body whose advice may be accepted. They are competent to tell us of the needs of the farmers engaged in the fruit industry, and in that way we gain the information through which we may render assistance.

Mr. VALLANCE: Is any of the $5,000 allocated to the Canadian Horticultural Council used in disseminating information acquired by the horticultural council?

Mr. WEIR (Melfort): This grant is given with very few strings attached. The money is used to defray expenses of the executive. No doubt some of the work of the executive is as the hon. member has suggested.

Mr. VALLANCE: The publication of the findings of the Canadian Horticultural Council is being paid for out of this $5,000, so that the council itself does not receive the $5,000 as indemnity for sitting as a council?

Mr. WEIR (Melfort): I do not believe I understand the hon. member's question.

Mr. VALLANCE: Is the $5,000 merely to indemnify the council for their time in sitting, or is a certain percentage of the $5,000 paid out for the dissemination of information acquired by the council?

Mr. WEIR (Melfort): The members who sit on the council receive no indemnity. They receive only expenses.

Mr. VALLANCE: That is indemnity. Is it correct to say that the whole $5,000 goes to pay the expenses of the horticultural council?

Mr. WEIR (Melfort): No, this money is put into a fund created by the horticultural council to carry on its work. This is our contribution to that fund.

Mr. YOUNG: What is their work?

Mr. WEIR (Melfort): In a general way they are a clearing house for the whole horticultural industry. Perhaps I could not do better than to read the description I have before me:

During the past year the Canadian Horticultural Council had in membership elected representatives of the various branches of horticulture in Canada, including fruit growers, vegetable growers, amateur horticulturists, nurserymen, florists and gardeners and wholesale fruit and vegetable dealers. The council was, therefore, as usual fully in a position to represent the consolidated views of the horticultural interests of the dominion.

As an indication of its representative nature the following list of representatives upon the council during the past year is cited:

President—Walter J. Cook (vegetable grower), Kingston, Ont.

Chairman—W. B. Somerset (fruit grower), Burlington, Ont.

Fruit Growers

R. H. Macdonald, Vernon, B.C.
Paul A. Fisher, Burlington, Ont.
W. J. Tawse, Montreal, Que.
W. W. Hubbard, R.R. No. 1, Oromocto, N.B.
John A. McDonald, Upper Dyke Village, N.S.

Vegetable Growers

Fred Lewis, Vernon, B.C.
Walter J. Cook, Kingston, Ont.
Charles Haeck, St. Martin, Que.
F. W. Bishop, Paradise, N.S.
W. J. Boulter, Charlottetown, P.E.I.

Nurserymen

E. B. Luke, Montreal, Que.

Florists and Gardeners

Chas. Craig, Ottawa, Ont.

Amateur Horticulturists

Dr. C. F. Patterson, Saskatoon, Sask.

Canadian Fruit Jobbers

Karl B. Conger, Ottawa, Ont.
A. McCallum, Winnipeg, Man.

Chairmen of Committees

W. B. Somerset—Markets committee.
Dr. W. T. Macoun—Ornamental horticultural committee.
E. B. Luke—Publicity committee.
Fred Lewis—Transportation committee.
Prof. W. A. Middleton—Economics committee.

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Due to the unsatisfactory financial state of the industry, with prevailing prices much below cost of production, the problems handled by the counciil during the past year were more numerous, more intricate and probably broader in scope than those with which the council had been called upon to deal during any of the past ten years. In spite of the abnormal business conditions and due to some extent at least to the activities of the council, the horticultural industries face the coming year with possibly a slightly better feeling than most of the agricultural interests.

An hon. MEMBER: What is the minister reading from?

Mr. WEIR (Melfort): A synopsis I had prepared for my own information, to satisfy myself of the work they were doing.

Mr. VALLANCE: May I ask how often this horticultural council meets, or do they just meet when called?

Mr. WEIR (Melfort): They have one annual meeting, usually, if not always, held in Ottawa; and they have an executive that meets from time to time.

Mr. DONNELLY: Can the minister tell me if there was a grant of $5,000 to the horticultural council last year, and if so, the number of the grant?

Mr. WEIR (Melfort): Under the same item, but in the supplementary estimates.

Mr. DONNELLY: I have the supplementary estimates here. but I cannot find it.

Mr. WEIR (Melfort): My information is that it was deleted from the regular estimates, but voted in the supplementaries under this heading.

Mr. DONNELLY: I cannot find it.

Mr. WEIR (Melfort): May I ask the hon. member if the supplementary estimates he has are those of this year or of the end of the fiscal year ended March 31, 1932?

Mr. DONNELLY: March 31, 1933.

Mr. WEIR (Melfort): That would not be the supplementary estimates in which it would be included.

Mr. YOUNG: I understand that in addition to this $5,000 the horticultural council have a free office in Ottawa, at government expense, that their telephone is attached to the central of this building, and that they have other perquisites. May I ask what is the total cost to the government of this association?

Mr. WEIR (Melfort): I believe they occupy a room in a government building, but my information is that the telephone is not a government telephone.

Mr. YOUNG: I think it is on the exchange of this building.

Mr. WEIR (Melfort): The number is Queen 1165. It is not charged to the government.

Mr. DONNELLY: I cannot find the vote. I have the supplementary estimates of last year and this year, and it is not in them.

Mr. VALLANCE: While the minister is looking that up, I hold in my hand the supplementary estimates of 1932-33 and the estimates of 1933-34. I find in the supplementary estimates, No. 332, "fruit, further amount required, $31,000." Would it come under that item?

Mr. WEIR (Melfort): It might be included in that estimate.

Mr. DONNELLY: It cannot be, because in the estimates for 1932-33 the amount is $426,200. If I add up the estimates we had last year I get only $421,000, so there is $5,000 missing somewhere.

Mr. WEIR (Melfort): I shall be glad to check that up and give the information the next time the estimates come down.

Mr. YOUNG: A year or two ago I placed on Hansard part of the report of the annual meeting of this association. If I recall aright, the growers at that time were withdrawing from the association because they said the whole association had degenerated into a political organization. I notice from what the minister said to-night that the growers appear to be in again. Will the minister tell us if they have composed their difficulties and have ceased their political activities?

Mr. WEIR (Melfort): As far as my information goes they have never been a political body. My recollection is that in Ontario there was some misunderstanding between the amateur horticulturists and those in what we might call a commercial way. I cannot say whether those differences have been settled or not. My understanding is that it was more a personal difference.

Mr. YOUNG: Does not the minister know that the bulk of the growers had withdrawn from their organization, that they complained that they were some 85,000 as against some 5,000 dealers or processors, but that the 5,000 had full control of the organization?

[Mr. Young.]

Mr. WEIR (Melfort): The growers' organization is still in existence. They have elected their officers, and they were present at the annual meeting that concluded, I believe, in Ottawa yesterday.

Mr. McINTOSH: May I ask whether this horticultural council is representative of all Canada? Is every province interested in this council? And as to this grant of $5,000 per year, is there an equitable distribution, province by province?

Mr. WEIR (Melfort): The grant is given to the dominion association to carry on for the year. There would be no distribution of it to any provincial organization. My understanding is that it is a very representative body.

Mr. VALLANCE: Last year the supplementaries and the regular estimates combined, $426,000 and $31,000, make a total of $457,000 voted under this item. Does the minister contemplate any supplementaries on this item?

Mr. WEIR (Melfort): No.

Mr. McINTOSH: Has Saskatchewan any representation on this horticultural council?

Mr. MacNICOL: They only grow wheat.

Mr. McINTOSH: They grow something better than you.

Mr. WEIR (Melfort): They are eligible for representation. They have none at present.

Mr. YOUNG: This is $5,000 out of $456,000. Will the minister tell us what is done with the rest of the money?

Mr. WEIR (Melfort): The greater part of it is spent in salaries of fruit and vegetable inspectors. On this there is returnable in fees for what is known as commercial inspection in the neighbourhood of $90,000. So against this amount approximately $90,000 will be collected and returned to the receiver general.

Mr. YOUNG: What did these gentlemen do for their salaries?

Mr. WEIR (Melfort): Their principal duty was inspecting fruit and vegetables and attaching their certificates setting out the grades for interprovincial and export trade. Last year they were engaged longer than usual in making a survey of orchards in connection with the presence of apple maggot.

Mr. YOUNG: I understand that there is considerable dissatisfaction among many growers with the way these inspections are

carried on. They feel that the whole power has been centralized too much and that this work could be done more efficiently and more economically by local authorities. Has the minister had any complaints along that line?

Mr. WEIR (Melfort): Complaints have been made by individuals and those complaints have been investigated. So far as I am aware, complete satisfaction was expressed by those individuals after the matter was gone into thoroughly.

Mr. YOUNG: That is not my information. I am told this expenditure is wholly unjustified and that the work could be done for a fraction of this sum if it were performed by local authorities. Further I should like to ask why this service is not made self-supporting, like the administration of the Canada Grain Act.

Mr. WEIR (Melfort): It could be made self-supporting if the hon. member felt that under present conditions, with prices so low, it would be advisable to make a further levy or charge which would have to be deducted from the receipts of the producers. With regard to this work being done locally, I think almost everyone would agree that this would be a very dangerous practice. Let us consider what might happen in connection with the shipping of apples to the old country. If there was a local inspector in Ontario, for example, terrific pressure might be brought to bear on him by a friend whose apples were infected. A shipment might be made, and as a result an embargo against all Canadian apples might be put in force. We feel that the work is done in a very satisfactory manner at present, and in any case, the apples would have to be accompanied by a certificate in order to be exported.

Mr. YOUNG: The dominion certificate would have to go with the shipment, but is it necessary to have the orchards inspected, and so on, before that certificate can be given? Could not that be done better by men right on the ground, familiar with local conditions?

Mr. WEIR (Melfort): We feel that it is all gain to have the men who are to inspect these apples for export survey the orchards and advise the growers as to the importance of spraying and other control measures. We believe the inspectors will be able to have a better picture of general conditions and to carry on a better inspection of the districts where there are infected orchards. In Nova Scotia this year they appointed a non-partisan committee which has just completed a survey of the Annapolis valley for the purpose of ascertaining public opinion in connection with the enforcement of regulations. They believe that they can get men there who can carry out the surveys of the orchards at a lower cost than would be the case if we sent men who might be better qualified to do the export inspection. They are now preparing for submission to me a statement as to the difference in cost, and if it is as appreciable as the hon. member suggests this work will be done in that way.

Mr. YOUNG: I do not know what credence can be placed in newspaper reports, but it is intimated in the press that when the budget comes down we will be confronted with a deficit running into eight figures. In view of this fact, if it is a fact, I do not think this enormous expenditure can be justified, and I would suggest that this amount be cut in half.

Mr. MOTHERWELL: I hope the hon. member who made that suggestion is not serious, because the agriculture estimates already have been cut quite enough. I do not understand why my hon. friend the minister has restored the grant to the horticultural council while the dairy council remains out in the cold. Surely he does not take the ground that horticulture is of greater importance than dairying, or that in times such as these the dairy industry does not require the aid of a council. Dairying has gone to the bow-wows, though we were led to expect something very different if only hon. gentlemen could get rigging up the tariff with regard to butter. The dairy industry needs support now more than it ever did. It is not on an export basis, yet prices never have been so low in the history of the proverbial oldest inhabitant. If we were on an export basis the prices probably would be even lower by possibly five cents.

This is an opportunity for my hon. friend to come to the aid of a very important branch of agriculture, just "when a feller needs a friend." I do not expect the minister to deal with dairying now as that vote is passed; but I want to commend him for restoring the horticultural grant. Look how nice and quiet it is here this Friday evening. To-night my hon. friend could get through almost anything that had any reason to it. If he can get as suitable a night another year I would suggest that the grant to the national dairy council be restored also.

My hon. friend from Weyburn raised an important question when he spoke about local fruit inspectors. To an outsider the appoint-

ment of local inspectors would seem to be the best and cheapest way to carry on this work. They have not far to travel and they are acquainted with local conditions, but according to my experience this is really the worst way to carry on the work. That statement applies not only to fruit but to almost everything else as well. We should have inspectors with as little social or other connection as possible in the vicinity of their work; then we will get the best results, and I think that applies to almost all forms of inspection. As a matter of fact we want to have that policy followed in the maritimes a little more than is the case at present. They have perhaps the most beautiful apples in the world down there, but it is the most difficult place to introduce a proper inspectional service because of the tendency of hanging on to old methods of inspection. One reason, however, is the continuation of local inspectors. Many do not even yet look upon such appointments as coming from the Civil Service Commission particularly; they prefer to obtain them otherwise, and some do not take the work very seriously. I am glad to know that some improvement is being shown in that respect since shipping point inspection was adopted two or three years ago, but still I believe the further they can get away from local inspectors the better it will be for them. We have had the great danger of too much local influence being exercised on the inspectors, who in the past have looked upon their positions as political perquisites. This is now the exception, I understand, rather than as formerly, the general rule.

Let me tell the committee that inspectional service has practically no value at all unless the certificates are lived up to. The hon. member for Parkdale is a dealer in fruit and vegetables, and he knows that to be so. A certificate is just a piece of paper; its value depends upon the character of the inspection and the manner in which the inspector has lived up to the regulations. When a certificate has that one hundred per cent value it becomes almost as negotiable as a barrel of apples itself. In connection with wheat a buyer depends upon the certificate; that is what it is for. No one doubts a wheat certificate, especially since mixing was stopped, and no one doubts a cheese certificate. The buyer accepts that certificate without ever looking at the product, and that should be the case with each of our exportable farm products. Perhaps when we get things standardized and adopt the practices that have been in vogue in connection with cheese and grain, these fruit certificates will become so well established and so well known that they will become accepted without question. That has not been the case in the past with regard to fruit, especially in the maritimes and to a lesser degree in other parts, but I am glad to know that these conditions are improving greatly there. This service will not be fully improved until the local inspection service is discontinued as much as possible, allowing the locally qualified men to inspect in other places. Is the chief fruit inspector still in the department?

[Mr. Motherwell.]

Mr. WEIR (Melfort): He has retired.

Mr. MOTHERWELL: It was about time.

Mr. SPENCE: Does the former Minister of Agriculture (Mr. Motherwell) mean that local inspectors should be used irrespective of their knowing anything about the work? If that is so, I do not agree with him. It takes years of study to qualify as an inspector for the foreign market.

Mr. MOTHERWELL: Certainly not.

Mr. YOUNG: Will the minister explain how this is done? Take John Brown; he has a fine orchard of apples and would like to export. Just how will he proceed to have his orchard inspected and obtain a licence to export?

Mr. WEIR (Melfort): The actual inspection occurs when they are being packed or being delivered to the pre-cooling plant.

Mr. YOUNG: I want to know every step he would have to take.

Mr. WEIR (Melfort): With reference to the inspection for export?

Mr. YOUNG: I want the whole thing. John Brown wants to export his apples and before he can do that he must have an exporter's licence. I want to know how he will proceed to get that.

Mr. WEIR (Melfort): There is no export licence; the apples are inspected and if they pass inspection they are eligible for export.

Mr. YOUNG: Where are they inspected?

Mr. WEIR (Melfort): In the large orchards, as they are being packed, and in other instances, when they are being shipped into cold storage.

Mr. YOUNG: Do I understand that before John Brown can pick and pack his apples he has to wait until a dominion inspector is on the ground?

Mr. WEIR (Melfort): No.

Mr. YOUNG: The minister says they must be inspected while they are being packed; I do not see how that can be done unless an inspector is there.

Mr. WEIR (Melfort): In the large orchards, they are inspected while they are being packed, otherwise they are inspected when being loaded into cars or sent into the cold storage.

Mr. YOUNG: When apples are being loaded into cars they are either in boxes or in barrels, and I should like to know how an inspector from Ottawa or anywhere else can inspect apples in sealed boxes and barrels.

Mr. WEIR (Melfort): The great majority of the apples are inspected while they are being packed in the large orchards. The staff is sufficiently large to carry on this work, and we extend this service as far as possible to the smaller orchards. The survey made of where the apple maggot is occurring guides the inspectors in the closeness of the inspection which they feel is necessary.

Mr. YOUNG: There must be a considerable staff of inspectors employed for a short season while the apples are being packed; what do these men do the rest of the year?

Mr. WEIR (Melfort): They may do anything they wish, as they are just temporary employees for short periods.

Mr. VALLANCE: I notice there is a reduction of $381,948 in the total estimates for agriculture this year, and I should like to know if this reduction is the result of the interprovincial conference held in Ottawa some time ago when the overlapping of the dominion and provincial departments of agriculture was discussed.

Mr. WEIR (Melfort): An inspection of the estimates as a whole will show how the decrease is accounted for. Part of it is as a result of arrangements made at that conference, and we hope that next year a further reduction will be possible.

Mr. DONNELLY: There is no objection from the prairie provinces to this vote, but the wheat growers feel that they are being discriminated against to a certain extent. Perhaps my remarks should be directed to the Minister of Trade and Commerce (Mr. Stevens). We are asked to pay for the grading and weighing of our wheat and surpluses have occurred from this charge which were turned into the public revenue. I do not know whether a surplus exists at the present time, but there was one a few years ago. The grain growers are in just as serious a financial position as the fruit growers, and assistance in the inspection and grading of wheat would be welcomed.

Mr. McINTOSH: I understand that representations were made by the railways to the railway commission to increase the classification on bulk apples in order to put the rate up on a level with the rate on packed apples.

Mr. WEIR (Melfort): I could not say whether or not an application was made to increase the freight rate on bulk apples, but the committee might be interested to know that last night the Minister of Railways, the Minister of Trade and Commerce and myself met a delegation asking for the lowering of the rate on packed fruit from British Columbia to the prairies. This matter is under consideration, and it is hoped that a reduction may be made. This would be a comparable reduction to that made in the case of feed grains going from the prairies to the west.

Mr. WEIR (Macdonald): Was that unpacked or bulk shipments?

Mr. WEIR (Melfort): Bulk shipments, but not necessarily carload bulk.

Mr. McINTOSH: If the application I referred to was made, I would like to know the position of the horticultural council upon this very important matter.

Mr. WEIR (Melfort): The council went on record as opposing an increase in the rate.

Mr. WEIR (Macdonald): That is an increase on shipments of bulk apples, the classification having been raised last fall?

Mr. WEIR (Melfort): Yes, on the bulk rate.

Mr. YOUNG: The minister said there was no such thing as an exporter's licence; is there an exporter's certificate?

Mr. WEIR (Melfort): An export inspection certificate. Any fruit to be eligible for export must have an export certificate.

Mr. YOUNG: Is it necessary to have the orchard inspected in order to get that certificate?

Mr. WEIR (Melfort): No.

Mr. McKENZIE (Assiniboia): A short time ago the minister read a synopsis of a recent meeting of the horticultural council here in Ottawa. He mentioned several names, and I should like to know if those individuals are producers of fruit or jobbers.

Mr. WEIR (Melfort): I think in reading the names I stated what they were. For instance, the president is a vegetable grower; the chairman is a fruit grower. They are the elected representatives of growers' organizations, dealers' organizations and others connected with the industry of horticulture.

Mr. McKENZIE (Assiniboia): I notice the item states that they are facing considerable difficulties at the present time and looking to the future with no great hope. Knowing this organization a few years ago put out certain political propaganda with regard to increased protection against fruit coming from the United States, I was wondering whether they had not at that time received something that would solve their difficulties. I wonder now what their difficulties are. They have surely, under this government, all the protection they need. What is their trouble to-day? What are they clamouring for?

Mr. WEIR (Melfort): The chief difficulty at present is the low price of their fruit due to low purchasing power, also difficulties in British Columbia with the fire blight; in Ontario the apple maggot and coddling moth, and in the maritimes the apple maggot. The work of the department is to serve in the best possible way all branches or phases of agriculture, and I know of no better way in which we could get such representative opinion than through a body like this, elected by the people concerned.

Mr. McKENZIE (Assiniboia): Do they admit the protection they have received from the government has been of no value to them?

Mr. WEIR (Melfort): I have never discussed with them anything that might be considered as being of a political nature.

Mr. McKENZIE (Assiniboia): They believe it is not.

Mr. YOUNG: What are the regulations in regard to the spraying of orchards? The minister spoke of pests existing in all the provinces.

Mr. WEIR (Melfort): The regulations for spraying are provincial and therefore are not under control of the federal department. As the hon. member knows, perhaps better than I do, the spraying depends upon the nature of the pest it is desired to combat. The spraying, however, is largely under provincial direction.

[Mr. R. McKenzie.]

Mr. YOUNG: This, then, is the situation: spraying the orchards and fighting the pest that is infesting the apple are under provincial control, but the inspection of the fruit is under federal control. Is that a sane system?

Mr. WEIR (Melfort): I would say that it is sound that the provincial authorities have control of the product that is grown, because they are the people on the ground; but as regards export certificates that will really carry any weight in foreign countries, the matter should be under federal supervision.

Mr. YOUNG: When the federal officials are going to issue an export certificate, do they consult the provincial officials to find out whether an orchard has been properly sprayed?

Mr. WEIR (Melfort): Not necessarily. As regards the case in Nova Scotia I cited, our man assisted the provincial men to start the campaign. We felt that our man, on account of perhaps longer and wider experience, would be able to advise them.

Mr. MALCOLM: With regard to export certificates on fruit, are there many complaints as to the fruit not being up to standard?

Mr. WEIR (Melfort): Practically none. There has been some local complaint this year on account of scab and other diseases, but this does not concern export.

Mr. MALCOLM: I understand we do not give an export certificate except where the fruit is exported to a foreign country, a certificate comparable with a grain certificate.

Mr. WEIR (Melfort): That is right.

Mr. MALCOLM: The minister says there has been no complaint regarding our export certificates on fruit this year.

Mr. WEIR (Melfort): I am not sure whether I understand my hon. friend's question. There have been complaints from fruit growers that they could not get export certificates.

Mr. MALCOLM: That is not my question. I am sorry if I did not make it clear. My hon. friend knows the inspection of grain is so close to perfection that very few cases of complaints have been established that the grain was not as represented in the certificates, and, as the former Minister of Agriculture stated, the grain certificate is so good that it

passes almost as legal tender. I wanted to ask the minister if we had progressed so far towards a state of perfection in the inspection of apples that there were no complaints from importers in foreign countries.

Mr. WEIR (Melfort): There has been practically no complaint this year—none that I know of.

Mr. BOUCHARD: Has the minister received any complaints from the horticultural council since the tariff on sulphate of copper was increased by ten per cent in the intermediate and general tariffs? They are very keen on these tariff matters. Has there been any complaint as to the increase in the tariff on nitrate of soda?

Mr. WEIR (Melfort): Not that I remember. I could not say without looking up the matter.

Mr. BOUCHARD: I am surprised that the horticultural council, which has been so keen on this question of protection in relation to fruit, has not seen fit to make a complaint when the tariff is working against the interests of the fruit growers.

Mr. WEIR (Melfort): A complaint may have been lodged, but my answer is that I do not remember any.

Item agreed to.

Seed, feed and fertilizer control, including grants to seed fairs, etc., also grant of $18,900 to the Canadian Seed Growers' Association, $443,200.

Mr. YOUNG: This is another item of nearly half a million dollars. Would the minister tell us what we get for our money in this case?

Mr. WEIR (Melfort): This, again, is chiefly the administration of acts. The great part of it is for the salaries of the men who are carrying out the provisions of these acts, including the inspection and distribution of seeds and the inspection of fertilizers and feeds. Part of the grant, as set out in the item, is to the Canadian Seed Growers' Association.

Mr. BOUCHARD: Has the minister anything to do with customs duties on fertilizers, or does that come under the Department of National Revenue?

Mr. WEIR (Melfort): My understanding is that a shipment of fertilizer being imported cannot be released until it receives a certificate of inspection from our officials.

Mr. VALLANCE: I notice a grant of $18,900 to the Canadian Seed Growers' Association. In the western provinces we have provincial seed growers' associations. Is this an amalgamation or federation of all the provincial associations?

Mr. WEIR (Melfort): A dominion association, common to all the provinces. The provincial organizations have more to do with merchandising. Each province is represented on the central organization. It is not an amalgamation in the true sense of the word, because it is not comprised of provincial associations.

Mr. VALLANCE: This is not an amalgamation of the commercial and distribution end?

Mr. WEIR (Melfort): No.

Mr. TOTZKE: I notice that included in this item are grants to seed fairs. How large are these grants, and on what basis are they made?

Mr. WEIR (Melfort): The grant is $50 for each seed fair on condition that the province puts up a like amount.

Mr. VALLANCE: What is the total amount of the grants to all seed fairs?

Mr. WEIR (Melfort): We have not that information at hand.

Mr. VALLANCE: I notice that this item is for seed, feed and fertilizer control. How does the department control the fertilizer?

Mr. WEIR (Melfort): By administering the act respecting fertilizers.

Mr. DONNELLY: Under what vote does the grant for the world's grain congress come?

Mr. WEIR (Melfort): An amount was put in the estimates last year which the executive felt would be sufficient, but there is also provision under a number of branches for exhibits at the fair.

Mr. GERSHAW: How extensively is the fertilizer product which is manufactured at Trail being used, and with what results at the experimental farms?

Mr. WEIR (Melfort): I would ask that that question be deferred until the experimental farm item comes up, when I shall be glad to give all the information. The results have been very satisfactory.

Mr. YOUNG: I understood the minister to say that a large part of this vote is for the salaries of seed inspectors who inspect pure bred seed. Some of the farmers used to make

a business of growing pure bred seed and selling it to their neighbours. But there are not many farmers to-day who have money to spend on pure bred seed; they have to get along with the seed they have, and it would naturally follow that we do not need so many inspectors. Would it not be possible to reduce this item accordingly?

Mr. WEIR (Melfort): In the province from which the hon. member comes, much heavier work was done by our inspectors last year to ensure that the seed which the farmers received: especially the oats imported from other provinces, were of a good quality, and that they got value for what they were paying.

Mr. YOUNG: Does the minister mean that the seed put out by the Saskatchewan seed commission was inspected by these inspectors?

Mr. WEIR (Melfort): Except the wheat that was stored in the elevators in the south. It was not felt necessary to inspect it. We had a conference in Regina, where the plan to be followed was recommended. Any wheat that was imported from other provinces was inspected by our inspectors, also the thousands of bushels of oats that were shipped in.

Mr. DONNELLY: Were the oats that were shipped in to the southern part of the province last year inspected by these inspectors?

Mr. WEIR (Melfort): All of it.

Mr. DONNELLY: Then they made a very poor job of it, because most of it was wild oats.

Mr. WEIR (Melfort): Does the hon. member mean seed oats or feed oats?

Mr. DONNELLY: Seed oats.

Mr. WEIR (Melfort): I am afraid the hon. member is misinformed there.

Mr. MOTHERWELL: I understand that under this vote there is a distribution of grass seed and clover among the western farmers. I hope that a great chunk of this extra $30,000 will be used for filling a lot of orders out there this spring which the government were unable to fill last spring owing to the cut in the vote. What percentage of the fields sown with grass seed and clover last spring secured a good catch?

Mr. WEIR (Melfort): Eighty-two per cent.

[Mr. Young.]

Mr. STEWART (Edmonton): Is the department buying grass seed for distribution among the farmers of Saskatchewan?

Mr. WEIR (Melfort): Yes, also in Alberta.

Mr. STEWART (Edmonton): I would appreciate that, but it has been my experience for some years that it is a good thing for Saskatchewan to have a federal minister representing the province, and I would suggest that when the government change they change the location of the Minister of Agriculture so that the rest of us might get an even break once in a while. I notice that Saskatchewan gets an increase of $30,000 this year. We are all very much interested in agriculture, and the agriculture vote is a very respectable one, but I hope that it will not all go to Saskatchewan.

Mr. SPEAKMAN: What is the total amount of the grants to seed fairs, and how many seed fairs are held?

Mr. WEIR (Melfort): We have not the total of the grants to seed fairs available in that form.

Mr. WEIR (Macdonald): Has the minister instituted a policy of providing grass seed in various areas in the west?

Mr. WEIR (Melfort): In the prairie provinces, including Manitoba.

Mr. WEIR (Macdonald): How much was spent on that last year, and what is the policy in that regard?

Mr. WEIR (Melfort): The policy in general is this, that a supply of the best available seed is purchased and is distributed through a provincial committee, in conjunction with federal officers. Last year we were able to supply a minimum of three farmers per municipality, they undertaking to return to the department an equal amount of seed or half the price of the seed two years later. The money so received goes to the credit of the receiver general.

Mr. DONNELLY: Does the department inspect the Caragana seed sent out by the Department of Public Works in Regina for the growing of Caragana hedges?

Mr. BOUCHARD: Have the obstacles in the way of the importation of fertilizers, more particularly nitrate of soda, been removed as was promised by the Minister of Finance?

Mr. WEIR (Melfort): I am sorry I have not that information.

Mr. RYCKMAN: I think the matter has been settled quite satisfactorily.

Mr. BOUCHARD: Satisfactorily to the manufacturer or to the farmer?

Mr. RYCKMAN: To the farmer.

Mr. McINTOSH: Where are these seed grain fairs held in Saskatchewan?

Mr. WEIR (Melfort): There are two provincial fairs in Saskatchewan, one at Maple Creek and the other at Saskatoon.

Mr. VALLANCE: Surely the minister does not mean that. Seed grain fairs are legion in Saskatchewan. Within a short radius of my own farm there are at least half a dozen. Whether they are under provincial or federal jurisdiction I do not know, but I feel sure the minister does not mean to say there are only two or three seed grain fairs in Saskatchewan.

Mr. WEIR (Melfort): That is my information regarding fairs to which we contribute.

Item agreed to.

Entomology, $30,000.

Mr. VALLANCE: I notice there is an increase of $25,000 in this vote, and I am wondering what new bug has caused this increase. I am sincere, Mr. Chairman.

Mr. HOWARD: You look it.

Mr. MOTHERWELL: You mean, what new humbug.

Mr. VALLANCE: The ex-Minister of Agriculture has suggested that I am referring to a new humbug, but I should like to know why the increase has been made.

Mr. WEIR (Melfort): The increase is due to increased travelling expenses transferred from civil government, and equipment.

Mr. ILSLEY: What is the purpose of the vote? How is the money to be expended?

Mr. WEIR (Melfort): For headquarters staff organization.

Mr. ILSLEY: Does the minister refer to the staff in Ottawa? I take it he does not include the laboratories at different points, such as the one at Annapolis Royal.

Mr. WEIR (Melfort): No.

Mr. ILSLEY: Under what vote does it come?

Mr. WEIR (Melfort): The next vote.

Item agreed to.

Administration of Destructive Insect and Pest Act, $673,300.

Mr. YOUNG: Explain.

Mr. VALLANCE: Could the minister tell us what insects we have in larger proportions than we have had at other times, and why it is necessary to spend $30,000 more this year than last year? Surely the pests of the Tories are not increasing?

Mr. WEIR (Melfort): There are increased expenditures in connection with inspection work concerning apple maggot control, and in connection with a threatened invasion of the dreaded Japanese beetle, particularly to the Niagara peninsula.

Mr. BROWN: Has the Dominion government anything to do with the control of the grasshopper pest in western Canada?

Mr. WEIR (Melfort): Federal men make surveys, in other words they do the scouting work. They give information to the provinces concerning the likelihood and the extent of the grasshopper outbreaks. The federal government, however, does not supply any of the materials for poisoning, for instance, in the coming spring it is feared there will be another very serious outbreak of grasshoppers. The federal men will assist provincial officers in supervising the work which is done, the provinces supplying the material and the actual labour costs.

Mr. ILSLEY: What part of the work in connection with apple maggot control is done by the federal government?

Mr. WEIR (Melfort): The federal government does much of the orchard survey work and the inspection work, certifying shipments for export. We report on the extent to which the infested area may be affected.

Mr. ILSLEY: Are additional men required, or what men are used? For instance, do you use the staffs at Kentville and Annapolis Royal?

Mr. WEIR (Melfort): The work is done mostly by fruit branch inspectors, although last year other inspectors of the entomological branch were used.

Mr. COWAN (Long Lake): I think it is about time the government of Canada made a concerted effort to exterminate the insect pests which have been blighting our country for some time. Had hon. members been in points adjoining the constituency of Long Lake during the last summer they would realize the magnitude of the damage done. In

a stretch a hundred miles long and fifty miles wide, as a result of the ravages of grasshoppers, army worms and cutworms, all plant growth was stopped. We have to fight these pests, and we might as well make up our minds to do it. There is an increase in the vote, and I hope that as a result there may be more complete cooperation between federal and provincial departments in the extermination of these pests.

Mr. WEIR (Macdonald): Strange as it may seem, I am going to lend my support to the hon. member for Long Lake. I appreciate fully what he has said with respect to grasshopper damage in western Canada last year. It was particularly bad in the area from which I come, where early in the spring I saw hundreds of fields eaten off as bare as a floor. In some sections of the country grasshoppers have totally destroyed gardens and green vegetables. Those of us who are familiar with the damage they do readily appreciate how necessary it is to take all possible steps to control them. I am happy to see that the vote has been increased by $30,000. I am just wondering if the minister has a report on what conditions may be next spring, in the event of another grasshopper outbreak. I am not asking him to read it, but I am wondering if the report is available for some of us to see. Last year about this time a map was published indicating in a general way the areas which might be infested by grasshoppers. May a similar report be expected this year?

Mr. WEIR (Melfort): Maps are under preparation now. In certain areas, and especially in the southern part of Manitoba, there is evidence of outbreaks worse than those of last year. It has been estimated that in some districts there are 100,000 grasshopper eggs per square foot.

Mr. DONNELLY: Can the minister tell us anything with regard to the progress they are making in connection with information concerning cutworms? Last year information was given out in western Canada as to how the farmers should handle their summer fallow to meet the cutworm pest. Many of those farmers are claiming the information was absolutely wrong. I have spoken to some who said that the sections of land in connection with which they followed governmental instructions were infested with cutworms and other sections were not. Some tracts of land were split in two, half being cultivated and the remainder left with a hard top, through which, it was stated, the cutworm could not go. The result was that where the ground was left with a hard top there were cutworms, and where it was cultivated there were none. Can the minister give us any further information concerning this pest?

Mr. WEIR (Melfort): I am sure the hon. member realizes how difficult it is for any branch to give information that will be foolproof having reference to climatic conditions, soil, and so forth. Especially around Indian Head last year there was a good deal of criticism that those who did not follow the instructions sent out by this branch did not have the same damage from cutworms as some of their neighbours who did. We made a careful examination as soon as the complaints came in, and we received every cooperation from those who at first were critical. The control recommendations are built upon the preference of the moth in egg-laying and are designed (1) to keep land free from cutworm eggs by maintaining it in a crusted condition during the period of egg-laying, namely, August and the first half of September, (2) to save the crop being eaten out where cutworms are present in a field by the use of an indicator strip, and (3) to prevent reseeding of fields destroyed by cutworms until after the cutworms have ceased feeding. The recommendations as published, interpreted and applied by farmers, have proven to be of the very greatest value throughout the entire infested area of Alberta and Saskatchewan wherever they were seriously attempted. Here is a report regarding the outbreak:

The campaign which has been in progress for three years was carried out by officers stationed at Assiniboia, Indian Head, Saskatoon, Drumheller and Lethbridge. It has involved the forecasting of the outbreaks, the distribution of 2,500 posters, 100,000 pamphlets and maps, reinforced by a press campaign and a personal canvass of thousands of farmers. The control practices were of very great value and the savings of crops throughout the areas infested unquestionably amounted to tens of millions of bushels of grain. Even under the most difficult conditions such as those where there had been soil drifting in the autumn of 1931 and the spring of 1932, Indian Head region, the recommended control practices reduced the losses almost a half. Elsewhere, and in the great proportion of the area wherever the control practices were seriously attempted, the saving of crop was phenomenally successful and was in practice upon hundreds of thousands of acres.

Mr. DONNELLY: In every village in the south country where you met a group of farmers they were all talking about it, and

the general opinion seemed to be that where they followed the advice of the Department of Agriculture and left their summer fallow after the fifteenth of August, the soil was infested with cutworms, but wherever they went on and worked in the fall there were none. This applies not only to the Indian Head region, but to the whole south country.

Mr. WEIR (Melfort): I just used that as an illustration.

Mr. WEIR (Macdonald): I think the minister said that no part of this appropriation was used in actual control of the grasshoppers, that it was devoted simply to surveys indicating the possible extent of the outbreak the following year.

Mr. WEIR (Melfort): None was used in the purchase of material.

Mr. WEIR (Macdonald): I may say to the minister that if his report is right he may be called upon to help, because this thing is coming to be what may well be called a calamity.

Mr. BROWN: I support that statement. In the southern part of my own constituency they are likely to suffer seriously during the coming year. The district represented by my hon. friend from Macdonald had the pest a year earlier than we had, but last year they came to us for the first time, and there is every evidence that the condition will be much worse this year. I know they are very serious. The municipalities will not be able to provide funds to fight the pest. The provincial government, it is true, did so last year, but to what extent they will be able to do so this year I cannot say. It is certain the Dominion government will again be called upon to help in the compaign.

Mr. COWAN (Long Lake): We cannot afford as a nation to put on a great staff of highly paid experts, college bred men, to do this work, but it seems to me that the minister at the appropriate season could get two or three dozen hard-headed experienced farmers—all Tories, of course—to do the work and help the farmers in the campaign against these pests. I do not know anything that could be better. These farmers are quite capable; their services could be secured for a short period and would be mighty useful. We have simply got to fight these pests. In the early days the ex-Minister of Agriculture will tell you the prairies were swept by prairie fires which roasted these insects and their eggs. I have no objection to roasted grasshoppers, but when they get as they are now they are a menace which we must deal with. Our old friend the prairie fire is gone, and the modern methods of agriculture are not suited to cope with these pests.

Mr. HOWARD: May I ask if any proportion of that money is spent in the province of Quebec?

Mr. WEIR (Melfort): A very considerable proportion.

Mr. HOWARD: At what main points?

Mr. WEIR (Melfort): We have laboratories in the Montreal district, Hemmingford district, and field stations in other sections, particularly for the study of forest insects. There are summer camps studying the forest infestation, which is a very serious thing in Quebec.

Mr. WEIR (Macdonald): I do not want to delay the passing of this item, but I should like to impress upon the house the seriousness of the grasshopper menace in southern Manitoba. My hon. friend from Long Lake (Mr. Cowan) suggests that we might engage a dozen good Tories to help fight this menace. If he had been in the area which had the grasshopper invasion this year he would appreciate the efforts that were made. In practically every municipality in my constituency there was a mixing station established in which half a dozen men were working day and night, and trucks were running back and forth to Winnipeg practically every day bringing poison ingredients. These were delivered to the farmers round about, who last spring spent the better part of every forenoon for a solid month spreading the poison in an effort to control the grasshoppers, and even then they were not able to control them. At this distance away we may not realize that the grasshopper menace is so very serious, but in southern Manitoba during the latter part of July of last year, when the crops began to ripen and the fields dried up, the grasshoppers, seeking more succulent forage, moved on to the yards and gardens and completely destroyed them, so that not only garden stuff but potatoes and corn and everything was eaten right to the face of the earth. It was not for lack of effort or using plenty of men—and they were not white collar men, as my hon. friend from Long Lake would lead us to believe, but good hardheaded farmers. I hope the minister will give this thing the consideration it deserves, otherwise it is going to spread to a still greater extent.

Mr. COOTE: A good deal of apprehension is felt in some parts of southern Alberta regarding the grasshopper menace. I wonder if the minister has any report from his officials as to whether there is serious risk of an outbreak of grasshoppers in southern Alberta this summer.

Mr. WEIR (Melfort): The reports are that there is evidence now that there will be some slight outbreak, but nothing at all in proportion to what is expected in Manitoba. The provincial government has been advised and is making preparations to meet it.

Mr. COOTE: The actual preparations for fighting it are left in the hands of the provincial government?

Mr. WEIR (Melfort): Yes, with the guidance of the reports they have and the information they receive from our men. Our men are also engaged in an advisory capacity.

Item agreed to.

Assistance to fairs and exhibitions, including the Royal Agricultural Winter fair, $395,000.

Mr. VALLANCE: I should like to ask the minister if he has decided in his own mind, in view of the decrease in this item, where it is proposed to economize. Is he going to pursue the same policy that was followed last year with regard to class B fairs throughout the various provinces?

Mr. WEIR (Melfort): The decrease is not entirely in the grants to fairs. Previous to this year there were included in this vote grants to junior farmers and farm clubs, but at the suggestion of the auditor general those have been shifted to the live stock vote. This year the policy with reference to fairs, especially class B fairs, is that the grant of last year will be continued, if they meet the standard required, and all such fairs will have the opportunity of earning an additional $500 by way of a regional grant.

Mr. WEIR (Macdonald): Would the minister give us a statement as to the success of the regional fairs last year, and could he tell us where they were held?

Mr. WEIR (Melfort): We have not a list of where they were held last year, but they were quite evenly distributed among the different provinces. I think there was one in Ontario at Port Arthur last year and there were two the year before at Peterborough and Lindsay. There was one in Quebec at Ayer's Cliff and in the maritimes at Chatham, one in Manitoba, at Portage la Prairie, one at Melfort in Saskatchewan, one at Red Deer in Alberta and one at Armstrong in British Columbia. On the whole the reports that we have received as to these regional fairs is to this effect: They did give a stimulus, in proportion to the money given, much greater than was the case with the ordinary grant, which has become more or less a matter of routine. This year we are making available to all class B fairs that comply with the conditions already outlined the possibility of earning $500 as a regional grant.

Mr. WEIR (Macdonald): What was the grant given last year and the year before?

Mr. WEIR (Melfort): Last year and the year before we did this as an experiment in order to see what would be the result, and as a rule it was given to one place in each province, with the exception of the older and larger provinces of Quebec and Ontario. Previously the sum given was $1,000. The result led us to reduce the offer to $500 and to make it available to all fairs that complied with the regulations.

Mr. SPENCER: What are those conditions?

Mr. WEIR (Melfort): The general condition is this: If in addition to their general fair they put on a competition between the districts surrounding the centre where the fair is held and in that way develop a healthy rivalry as between one district and another, in contrast to the severe competition within the districts which the other method promotes, then they are in line for the grant.

Mr. SPENCER: What areas are included in these districts?

Mr. WEIR (Melfort): That depends on local conditions. The agricultural society at Lacombe, for instance, will decide what localities might compete. It might be an area surrounding small C or D fairs, as they are called in the west; it might be a village or a municipality or a number of municipalities. Suggestions are made by the agricultural society.

Mr. BOTHWELL: Who decides what fairs are entitled to this grant of $500?

Mr. WEIR (Melfort): It is entirely in the hands of the fair board. Previous to this year, when we were trying it as an experiment, we asked the advice of the provincial minister of agriculture as to what B fair he thought should get the grant. This year it will be in the hands of the agricultural society or fair board itself. If the B fairs conform to the conditions we set out, and any B fair board may do so, they will be in line for the additional grant of $500.

Mr. VALLANCE: Is this competition confined to any particular organizations such as those adjacent to any large centre of population, say a town of 1,800 or 2,000, that has a class B fair now? Has the fair board the right to say what organizations may compete within the district designated by the board? As the minister well knows, we have many organizations throughout the west, in every district.

Mr. WEIR (Melfort): We will take the hon. member's constituency as an example. If the agricultural society of Kerrobert had paid out sufficient money over a period of years, and this year they could pay out in prizes on live stock and other farm exhibits the sum of money required in the standard, they would be entitled to a regional fair. Then they would meet and decide what places might wish to compete. It might be decided in this way: Coleville might be given an opportunity to compete; Denzil might compete; Salvador, or some of the other districts surrounding Kerrobert might compete, and the number of points made by everyone competing for the one particular district would be totalled. If Unity competed, in the same way their points would be totalled and the community with the most points would get first prize.

Mr. VALLANCE: So it would not be confined to any particular organization? There are various organizations throughout these districts mentioned by the minister. They would be allowed to gather their exhibits and send them in to the local fair?

Mr. WEIR (Melfort): It might not be a village at all; it might be a municipality such as Ruby Lake.

Mr. WEIR (Macdonald): I am quite in sympathy with the regional fair idea which the minister is promoting, and I may say that the Dufferin agricultural society has carried on something along these lines for some time, although they have not gone into it as extensively as the minister now suggests. I recall that in the past organizations such as the local branches of the United Farmers of Manitoba have been given the opportunity of soliciting exhibits, that is, encouraging people to show. As these people do so, the credit goes to the particular organization which went after the exhibit. I remember that on one occasion the Rebecca lodge was successful in winning the highest number of points for promoting these exhibits, and I was wondering if they would be eligible under this arrangement.

Mr. WEIR (Melfort): That would rest almost entirely with the agricultural society; there is a good deal of freedom left in that connection. They would decide as to the basis upon which the competition should be held.

Mr. HOWARD: Has there been any change in the policy with regard to class A fairs?

Mr. WEIR (Melfort): The province of Quebec has given a good deal of attention to the reorganization of its system of exhibitions, taking as a basis the regional fair idea. Although their policy is decidedly different from those of the other provinces we have felt that it would be in the best interests of the whole work if we cooperated in every way with the provincial government, and that is what we are doing.

Mr. HOWARD: What will be the grant for class A fairs in the province of Quebec during the coming year?

Mr. WEIR (Melfort): It will be $2,500 to class A fairs only.

Mr. HOWARD: How will that work out in the province of Quebec?

Mr. WEIR (Melfort): The grant to the newly classified fairs is $1,500.

Mr. HOWARD: What will the A fair in Quebec city get?

Mr. WEIR (Melfort): $2,500 to the Quebec provincial exhibition, and in addition there will be a grant of $1,500 to the Quebec regional, provided it qualifies.

Mr. HOWARD: Is the regional fair held in the city of Quebec just prior to the A fair?

Mr. WEIR (Melfort): That is the policy of the Quebec government, and they wished us to cooperate with them in that respect. We thought it was only the proper thing to do.

Mr. HOWARD: What will you do in connection with Sherbrooke?

Mr. WEIR (Melfort): Sherbrooke gets two grants, $2,500 and $3,000.

Mr. HOWARD: $2,500 to each one?

Mr. WEIR (Melfort): To the A fair, and $3,000 to the winter fair.

Mr. HOWARD: That is $500 in excess of last year, when it was reduced from $5,000. Can the minister give the details of the total reduction of $45,000?

Mr. WEIR (Melfort): I gave that when the item first came up. There was an item of $81,000 for grants to junior clubs, but at the suggestion of the auditor general, these grants have been put into the live stock vote.

Mr. HOWARD: I would not like to dispute the minister's word, but that cannot be correct. Five thousand dollars is being saved in Sherbrooke alone.

Mr. WEIR (Melfort): This vote is made up as follows:

Grants to A fairs, $51,500.
Grants to B fairs, $74,000.

Last year this item was $49,000.

Grants to winter fairs, $107,000.
Grant to City of Toronto, Royal Winter Fair, $103,713.
Exhibits, $25,000.
Special grants to organization, $23,786.
Allowance for freights to Royal Winter Fair, $10,000.

Mr. MYERS: In case Sherbrooke and Saskatchewan get all this vote, I should like to know if there is any possibility of the grant to the Prince Edward Island fox fair being restored this year.

Mr. WEIR (Melfort): We understand that that society is in strong shape financially, but this matter is under consideration.

Mr. McINTOSH: Where is the regional fair in Saskatchewan?

Mr. WEIR (Melfort): It could be any B fair that qualified.

Mr. McINTOSH: What about the policy of making grants to A and B fairs in Saskatchewan?

Mr. WEIR (Melfort): $2,500 for A fairs, $3,000 for winter fairs, $1,500 for B fairs, with a possibility of an additional $500 if they comply with the conditions.

Mr. VALLANCE: Is there a closed list in connection with B fairs?

Mr. WEIR (Melfort): This is the first time there has not been a closed list. We endeavoured to work out a policy which would enable any place to qualify as a B fair.

[Mr. R. Weir.]

Mr. TOTZKE: Any fair which could meet the standard set for B fairs would receive a grant?

Mr. WEIR (Melfort): Yes, subject to the department's approval.

Mr. LUCHKOVICH: Upon what basis and when are these grants to B fairs paid? If a district held a fair in 1933 it would expect to have the grant paid immediately afterwards.

Mr. WEIR (Melfort): A portion of the money would be paid immediately, but the regional grant would not be paid until a reasonable time later.

Mr. McINTOSH: Do I understand the minister to mean that any B fair could qualify as a regional fair?

Mr. DONNELLY: Has the minister given notice to the B fairs of the standard they would have to meet to qualify as a regional fair?

Mr. WEIR (Melfort): Yes, that is right.

Mr. VALLANCE: Let me get this thing right. Do I understand that any fair in any province of the dominion coming up to a certain standard can apply to the department for a $1,500 grant?

Mr. WEIR (Melfort): I think the hon. member is a little confused. This is only a policy carried out from year to year. This year any exhibition in the dominion that has been previously recognized as a B fair and that conforms to the conditions which we have set out in connection with the grants they will make for live stock and farm products, not what appears in its prize list, but that has been actually paid, can qualify as a regional fair and be entitled to this grant.

Mr. TOTZKE: There are still a number of class B fairs that are classified as in previous years?

Mr. WEIR (Melfort): No.

Mr. McINTOSH: Could the minister give the committee an idea how many regional fairs he will expect in Saskatchewan under these regulations?

Mr. WEIR (Melfort): We cannot tell yet, but there cannot possibly be over seven, according to the conditions set out.

Mr. VALLANCE: Coming as I do from a western province, and having every sympathy with the minister in dealing with the fair situation throughout the dominion, I am

opposed to any minister of agriculture, I do not care of what political shade, setting up a standard for fairs. There has always been trouble throughout western Canada because of this very thing. Standards have been set up and rural districts are asked to attempt to attain a position which was not in the best interests of the district.

Item stands.

Progress reported.

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

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## Monday, February 20, 1933

The house met at three o'clock.

### ST. LAWRENCE WATERWAY

Right Hon. R. B. BENNETT (Prime Minister): I desire to lay on the table a copy in English and French of the notes exchanged relating to the effect of the St. Lawrence Deep Waterway treaty, signed at Washington July 18, 1932, upon the diversion for power purposes through the Massena canal and Grass river.

### TRADE RELATIONS WITH RUSSIA

Mr. JOHN VALLANCE (South Battleford): With the permission of the house I beg leave to move, seconded by the hon. member for Humboldt (Mr. Totzke), that the return now tabled by the Secretary of State referring to the Russian cattle deal be referred to the standing committee on agriculture and colonization, and that such committee be empowered to call witnesses and hear evidence with respect to the matter referred to therein and to report their findings and recommendations to the house.

Mr. BENNETT: That requires notice, I think, Mr. Speaker.

Mr. VALLANCE: Then may it serve as a notice of motion?

Mr. BENNETT: It can be put on the order paper.

Mr. SPEAKER: It cannot be moved without notice.

### PRIVATE BILLS

#### SECOND READINGS

Bill No. 17, to incorporate Canadian Railway Employees Mutual Benefit Association—Mr. Casselman.

### PRIVILEGE—MR. DAVIES

Mr. P. G. DAVIES (Athabaska): Mr. Speaker, I rise to a question of privilege. Last Friday evening, the seventeenth, while the hon. member for East Algoma (Mr. Nicholson) was discussing the second reading of Bill No. 24, to amend the criminal code, he referred to the question of where the communist party was raising its funds, and during the course of his remarks the hon. member for Wetaskiwin (Mr. Irvine) interjected a remark to the effect that some of its funds came from the Conservative party. Upon being pressed for the source of his information the hon. member for Wetaskiwin is reported by Hansard to have replied, at page 2229, "From the hon. member for Athabaska (Mr. Davies)." Mr. Speaker, I deny ever having had any conversation with the hon. member for Wetaskiwin or anybody else on such a subject. I deny ever having made such a statement to him or to anybody else. I further deny that there is any truth whatever in his statement as reported. As a matter of fact, I was in the house at the time and I happened to notice that the hon. member for Wetaskiwin used the word "Ask" the hon. member for Athabaska, not "From," and I would ask that a correction accordingly be made in Hansard.

### QUESTIONS

(Questions answered orally are indicated by an asterisk).

#### NEWFOUNDLAND—BONDED INDEBTEDNESS

*Mr. DUFF:

1. What amount, if any, was advanced by the government of Canada to the government of Newfoundland about January 2, 1933, to pay the interest on part of Newfoundland's bonded indebtedness?
2. What was the total amount of interest owing by Newfoundland on or about that date, and the rate of said interest?
3. What security has the Dominion of Canada for said loan?
4. What are the terms regarding payment of said amount loaned by Canada, and the interest rate?
5. What is the total amount of Newfoundland's bonded and other financial indebtedness?

Mr. BENNETT: A statement on the subject is being made in the British House of Commons either to-morrow or next day, and a statement will be made here at the same time.

Mr. SPEAKER: Dropped.

#### CANADIAN NATIONAL PORTS

*Mr. COWAN (Port Arthur):

1. What are the national ports which are managed by harbour commissions?
2. What amount has been advanced to each commission by way of gift or loan?
3. What security does the Dominion hold for such advances?

4. What amount has been guaranteed by the Dominion of Canada?
5. Has any harbour commission issued or sold bonds without a guarantee of the Dominion of Canada; if so, in what amounts?
6. What loss or deficit has there been in the operation of each port since the formation of the harbour commissions and how has such loss or deficit been taken care of?
7. What harbour commissions have operated at a profit, and what are the amounts thereof?
8. What amount for each harbour commission for each year has the Dominion of Canada had to pay?

Mr. BENNETT: I think this question will have to stand as an order for a return because the answer would be very long, there being no limitation as to time in regard to question No. 2, for instance. Perhaps the hon. gentleman would let it stand for modification as to time.

Mr. SPEAKER: Question stands.

FISHING BOUNTY

Mr. DUFF:

1. How many fishing vessels were paid the fishing bounty for the seasons of 1929, 1930, 1931, and 1932, respectively?
2. What was the total amount paid such vessels in each of the above years?
3. How many fishermen received the bounty during each of the years 1929, 1930, 1931, and 1932?
4. What amount did each fisherman receive during each of those four years?
5. What was the total amount paid out by the government, in each of those four years, out of the so-called fishing bounty fund?

Mr. DURANLEAU: Order for return, now tabled.

LEAGUE OF NATIONS—CANADIAN EXPENDITURE

Mr. LAVERGNE:

What has been the annual cost to Canada of its delegates to the League of Nations, in salaries, other remuneration and travelling expenses, from the date of its admission to membership?

Mr. BENNETT: Annual cost to Canada of its delegations to the League of Nations —assemblies and council meetings, for living allowances and travelling expenses:

| | |
|---|---|
| 1920-21 | $18,257 78 |
| 1921-22 | 9,403 40 |
| 1922-23 | 15,391 36 |
| 1923-24 | 10,007 56 |
| 1924-25 | 11,301 43 |
| 1925-26 | 12,454 76 |
| 1926-27 | 5,657 00 |
| 1927-28 | 18,316 40* |
| 1928-29 | 23,805 32* |
| 1929-30 | 18,741 71* |
| 1930-31 | 13,215 56* |
| 1931-32 | 13,795 48 |

*This period includes meetings of council.

No salary was paid for services of Canadian delegates to the League of Nations Assembly or Council.

BEAUHARNOIS POWER PROJECT

Mr. GARLAND (Bow River):

1. Concerning the completion and construc- of the Beauharnois power project—have any agreements or arrangements been entered into by the government in relation thereto?
2. If so, when will such agreements be laid before the house?
3. What is the total amount of money advanced by the government to date in connection with the construction and completion of this enterprise?
4. What is the extent of the guarantees in the same connection?
5. What security has the Government been given or obtained for the money so advanced?
6. What is the estimated value of such security?
7. Has the government taken any steps to secure a reliable legal opinion in regard to the legality and validity of the statutory authority under which the Beauharnois project and the disposition of its power are being carried on?
8. Has the government secured any legal opinion other than that of the members of the government regarding the constitutional and legal right of the Beauharnois Light, Heat and Power Company to transmit electrical energy beyond the limits or boundaries of the province of Quebec?
9. If so, when will these opinions (Nos. 7 and 8) be laid before the house?
10. Did the Minister of Finance or the Prime Minister approve of loans estimated at $6,500,000 made by the Royal Bank of Canada, the Bank of Montreal and the Canadian Bank of Commerce to this enterprise?
11. Has the government been informed as to what security the banks received for such loans?
12. Are such loans permissible under the Canadian Bank Act?

Mr. BENNETT:

1. Yes: General agreement dated the 1st of March, 1932, relating to the project was entered into between the Beauharnois Light, Heat and Power Company and His Majesty, represented by the Minister of Railways and Canals, under authority of order-in-council P. C. 504, of same date.

General plans of the project were approved by the governor general in council on September 7, 1932, P. C. 1975.

The company also executed under date of September 17, 1932, conveyance to His Majesty, of lands for locks and canals purposes, the crown granting, in return, to the company the necessary rights to the use of the water flowing over certain of such lands for power purposes.

Under authority of order-in-council P. C. 504, and the agreement of March 1, 1932, the Minister of Railways and Canals has approved certain detailed plans of construction.

2. Copies will shortly be tabled.

3. None.

4. $15,539,000 collaterally secured by $30,007,500 First Mortgage six per cent bonds of the Beauharnois Light, Heat and Power Company.

5. Answered by No. 4.

6. Security is regarded as ample.

7. No.

8. No.

9. Answered by 7 and 8.

10. Any loans other than those referred to in No. 4, were so far as is known to the government loans made in the ordinary course of banking transactions, and no assent was required nor was any sought or given by the Minister of Finance or the Prime Minister.

11. Yes.

12. Yes.

ROBERT A. C. HENRY

Mr. BARRETTE:

1. Is the government negotiating at the present time with Mr. Robert A. C. Henry acting in the capacity of representative of the Beauharnois Power Corporation or the Beauharnois Light, Heat and Power Company?

2. Did Mr. Henry sign on behalf of said companies letters or reports forwarded to the government?

3. Who is the representative of aforesaid companies in their dealings with the government?

4. Is it true that ex-Senator MacDougald made representations to the government in the interest of aforesaid companies?

Mr. BENNETT:

1. In recent negotiations having to do with approval of plans R. A. C. Henry as general manager and L. C. Christie as secretary of the Beauharnois Light, Heat and Power Company have addressed to the Department of Railways and Canals certain communications as to approval of plans and transfer of canal lands to the crown.

2. Yes.

3. R. A. C. Henry and L. C. Christie.

4. No.

RURAL ROUTE NO. 1, WALKER'S CUTTING

Mr. GIROUARD:

1. Have any complaints been lodged against the mail carrier on rural route No. 1, Walker's Cutting, county of Arthabaska, within the past two years?

2. Have any investigations been held?

3. If so, by whom?

4. Have the investigators submitted any reports?

Mr. SAUVE:

1. Yes, against both former and present contractors.

2. Yes.

3. District superintendent postal service, Montreal.

4. Yes in each case. Complaints against former contractor substantiated and contract cancelled. Complaint against present contractor not substantiated.

RADIO LICENCE INSPECTORS

Mr. REID:

1. Were any inspectors appointed under the Department of Radio to inspect radio licences?

2. If so, how many were appointed in British Columbia?

3. Were any of the returned men's organizations given an opportunity to do this kind of service?

4. If so, what organizations were consulted?

5. What remuneration is given for such inspection?

Mr. DURANLEAU:

1. Supervisors and vendors have been appointed for the sale of radio receiving licences.

2. 11 supervisors and 73 vendors in British Columbia.

3. Not as organizations—but a considerable number of returned men engaged in the work.

4. Answered by No. 3.

5. Supervisors are allowed a commission of 10 cents and vendors 30 cents for each licence sold.

SUPERINTENDENT OF PENITENTIARIES

Mr. CASGRAIN:

1. Did General D. M. Ormond, superintendent of penitentiaries, visit any of the penitentiaries since his appointment to that office; if so, what penitentiaries and on what dates were such visits made?

2. Did he interview convicts on said visits?

3. In what penitentiary or penitentiaries have there been riots since the appointment of General D. M. Ormond, and on what dates did said riots take place?

Mr. GUTHRIE:

1. Yes. Dorchester, N.B., August 22 and 23, 1932; Kingston and Collins Bay, Ont., September 19 and 20, 1932; Kingston and Collins Bay, Ont., October 19 to Nov. 13; St. Vincent de Paul, P.Q., November 14, 1932; Kingston and Collins Bay, Ont., November 15 to 18, 1932; Kingston and Collins Bay, Ont., January 4 to 7, 1933; Kingston and Collins Bay, Ont., January 9 to 11, 1933; New Westminster and Piers Island, B.C., January 27 to February 11, 1933; Prince Albert, Sask., at present being inspected.

2. Yes.

3. Kingston, Ont., October 13, 17 and 20, 1932; St. Vincent de Paul, P.Q., November 4 and 7, 1932; Dorchester, N.B., January 7, 1933.

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COUNTY COURT JUDGESHIP—NORTH BAY

Mr. HURTUBISE:

1. Has the position of senior judge of the county court of North Bay, Ontario, become vacant under section 26 of the Judges Act?
2. If so, has the position been filled temporarily and by whom?
3. When may the citizens of that judiciary district expect the nomination of a successor, if none has been made?
4. In making the appointment will the government take into consideration the great percentage of French speaking citizens in that district?

Mr. GUTHRIE:

1. No. Creation of vacancy subject to statutory direction.

2. Answered by No. 1.

3. Answered by No. 1.

4. No decision has yet been made as to filling vacancy, but all matters proper for consideration will be considered.

CIVIL SERVICE COMMISSION—ADVISORY BOARDS

Mr. ROSS:

1. What pay is allowed to members of the advisory boards of the Civil Service Commission?
2. How many members are appointed to each advisory board?

Mr. CAHAN:

1. None. Out of town members on advisory boards are allowed their travelling expenses, and in some instances they have refused to accept expenses.

2. An advisory examining board generally includes one or more persons prominent in professional or business life, together with representatives of the department concerned, the Civil Service Commission and the Canadian Legion.

UNEMPLOYMENT RELIEF—ONTARIO

Mr. HEENAN:

What is the total amount paid out since the beginning of the unemployment relief measure in 1930 to date in: (a) public works; (b) direct relief, in the following towns, Rainy River, Ontario; Ignace, Ontario?

Mr. CAHAN:

Labour Department:

| | Public Works | Direct Relief |
|---|---|---|
| Rainy River.. .. .. | $3,000 | $617 56 |
| Ignace.. .. .. .. .. | Nil | Nil |

The above are dominion contributions to supplement expenditures of the province and municipality.

[Mr. Guthrie.]

Public Works Department:

| | Public Works | Direct Relief |
|---|---|---|
| Rainy River, wharf, 1931-32.. .. .. .. | $909 60 | Nil |
| Ignace.. .. .. .. .. | Nil | Nil |

FRESH AND FROZEN FISH

Mr. HANSON (Skeena):

1. What amount of fresh and frozen fish was exported to the United States from Canada during each year, from 1930 to 1932: (a) from Pacific waters; (b) from Atlantic waters; (c) from inland waters, and what was the value of same?
2. What amount of fresh fish was imported into Canada from the United States during the same years?
3. What amount of duty, in dollars and cents, was collected in each of these years?

Mr. STEVENS:

1. No statistics are published showing exports of fresh and frozen fish from Canada to the United States via (a) Pacific waters, (b) Atlantic waters, and (c) inland waters. During the years ended March 31, 1930, 1931 and 1932, Canada's exports of fresh and frozen fish to the United States were as under:

| Fiscal years | Cwt. | $ |
|---|---|---|
| 1930.. .. .. .. | 1,149,430 | 10,825,680 |
| 1931.. .. .. .. | 997,311 | 9,436,690 |
| 1932.. .. .. .. | 885,657 | 7,850,402 |

2 and 3. Canada's imports of fresh and frozen fish from the United States entered for consumption, during the years ended March 31, 1930, 1931 and 1932, with amount of duty collected thereon, were as under:

| Fiscal years | Value of imports | Duty collected |
|---|---|---|
| 1930.. .. .. .. | $587,642 | $37,278 78 |
| 1931.. .. .. .. | 539,947 | 41,076 33 |
| 1932.. .. .. .. | 362,172 | 24,891 31 |

FEDERAL DISTRICT COMMISSION—HULL EXPENDITURE

Mr. FOURNIER:

1. Did the Federal District Commission expend any money in the city of Hull since July, 1930?
2. If so, what amount was expended: (a) from July, 1930, to January, 1931, inclusive; (b) in 1931; (c) in 1932?
3. With respect to what exact locations was such money expended, and what kind of work was carried out?

Mr. RHODES:

1. Yes.

2. (a) $1,209.40, (b) $3,762.98, (c) $3,165.07.

3. The money was spent in creating a park and playground at lake Flora and for the

maintenance of same; also for laying out a park, and maintenance of same, at Val Tetreau.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

MINISTERS' AUTOMOBILES

Mr. LAFLECHE:

1. What sum was expended in 1927, 1928, 1929 and 1930, respecting ministers' automobiles?
2. What has been the cost of this service to the treasury since the ministers' automobiles have been dispensed with?
3. What persons receive $2,000 per annum to provide for an automobile?

CIVIL SERVANTS—PENSIONS

Mr. GIROUARD:

How many persons employed by the government of Canada receive a pension from the pension board, in addition to their salary?

GOVERNMENT NEWSPAPER ADVERTISING

Mr. BRADETTE:

1. In how many Canadian newspapers did the government advertise during the years 1931 and 1932?
2. What are the names of such newspapers?
3. What was the cost of advertising for each department?
4. What was the total cost to the government for newspaper advertising in Canada for the years 1931 and 1932?

## MOTIONS POR PAPERS

WOOD ISLANDS NORTH, P.E.I., POSTMASTER

Mr. MacLEAN:

For a complete copy of all letters, telegrams, and communications; also a copy of a report of any investigations held in connection with the dismissal of the postmaster at Wood Islands North, Prince Edward Island, and the appointment of a successor to fill this position; also, a full copy of all correspondence, letters, telegrams, resolutions, and other documents, including a report of the official of the department; also report of investigation held by the government, concerning the dismissal of the postmaster at Breadalbane, Prince Edward Island, and the appointment of a successor to fill this position.

BONAVENTURE COUNTY, DAY LABOUR

Mr. POWER (for Mr. Marcil):

For a copy of paylists and invoices for material for works done by day labour in the county of Bonaventure from October 1, 1932, to date, by the Department of Public Works.

FISHERS MILLS, N.S., POST OFFICE

Mr. DUFF:

For a copy of all telegrams, letters, memorandums and other documents, from any person or persons in the province of Nova Scotia, and the Postmaster General or any of his officials, regarding the closing of the Fishers Mills post office, in Guysborough county, with all memorandums, recommendations and other communications regarding same.

ALIENATION OF INDIAN LANDS

Mr. TETREAULT:

For a copy of all telegrams, correspondence, communications and reports exchanged between the Department of the Interior and the Department of Lands and Fisheries in the province of Quebec, respecting that province's claim to a sum of $300,000 for the alienation of Indian lands.

For a copy of all telegrams, correspondence, communications and reports exchanged between the Department of the Interior and any department of any of the governments of Ontario, Manitoba and the maritime provinces, respecting a judgment of the privy council dated November 23, 1920, relevant to the alienation of Indian lands.

LUMBER EXPORTS

Mr. TETREAULT:

For a copy of all telegrams, correspondence, communications and reports between the Department of Trade and Commerce and any department of any of the provincial governments, since the month of May, 1932, with respect to the export of Canadian lumber.

BACON EXPORTS

Mr. TETREAULT:

For a copy of all telegrams, correspondence, communications and reports exchanged between the Department of Trade and Commerce and any department of the provincial governments, since the month of March, 1932, respecting the exportation of bacon.

DAIRY INDUSTRY CORRESPONDENCE

Mr. TETREAULT:

For a copy of all telegrams, correspondence, communications and reports exchanged between the Department of Agriculture and any department of the various provinces, since the month of March, 1932, respecting the dairy industry.

## TRADE WITH UNITED STATES

PROPOSED RECIPROCAL ARRANGEMENT FOR EXCHANGE OF NATURAL PRODUCTS

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

He said: Mr. Speaker, in drafting the resolution which I have just moved I endeavoured to be as careful as possible in the wording so that the matter could be discussed entirely from a business point of view, and so that our discussion might centre around the question as to whether in the opinion of this house it is wise that this country should do all the business possible with our great neighbour to the south. In order that I may deal with this matter properly I should like, first, to give a history of the different negotiations between Canada and the United States with regard to what is commonly known as reciprocity. Or, in other words, I shall outline what might better be termed the different business relations which have existed at various time between those two great countries.

In 1854 a treaty known as the Elgin-Marcy reciprocity treaty had been negotiated, and it proved beneficial to Canada, for the ten years the treaty was in operation.

The United States statesmen claimed, however, that it had not been so beneficial to that country, and therefore the radical Republicans in the United States Senate voted for its abrogation. One reason why the vote was so strong against it then, in the United States Senate, it is said, was that it was done in retaliation against the British attitude toward the south, during the Civil war.

In 1866, A. T. Galt, Minister of Finance, and W. P. Howland, Postmaster General in Canada, went to Washington, in an effort to secure to Canada a continuance of the benefits of free trade, and to propose that such trade be established by reciprocal legislation.

After confederation, when Sir John Macdonald was Prime Minister of this country, in an effort to hold both the Conservative and Liberal factions under his control, he favoured reciprocity with the United States, providing the provisions of the old treaty could be renewed.

In 1869, Sir John Rose, then Minister of Finance, went to Washington to confer with Secretary Fish of the United States government. There was much speculation as to what Rose had offered Fish as a basis for a renewal of the reciprocity treaty.

Sir John Rose assumed another important position, in the story of Canadian-American relations, when he went to Washington in 1871 to pave the way for a settlement of the troublesome Alabama claims dispute. Other methods had failed to settle the matter, and now the British government suggested that Rose offer the fisheries and the use of the St. Lawrence waterway, as a basis for proceeding to the more serious points of disagreement.



A fisheries agreement, which favoured the United States, was to run for fifteen years, and the right to the use of the St. Lawrence was granted to the United States forever.

When the Mackenzie government was formed—about 1872-3—with Sir Richard Cartwright as Finance Minister, one of the first things the Liberal government did was to make a serious attempt to negotiate a reciprocity treaty with the United States.

A treaty was drafted which provided that the duties on the articles in three separate schedules should from July 1875 to July 1876 be two-thirds of the present duties, that they should be reduced to one-third the following year, and that after 1877 and for a period of twenty-one years, the articles on these three schedules were to enter each country free of duty. The first schedule contained a long list of natural products. The second contained forty articles some of which were manufactured articles; and the third a long list of manufactures.

Although the treaty was submitted to the Senate of the United States the proposal was rejected by that body.

In 1879, with the Macdonald government in power in Canada, the rates of duties on manufactured articles, were increased, although a reciprocity clause was attached to this tariff which fulfilled the election campaign promises. It provided that whenever the United States allowed Canadian natural products to enter the country free of duty, then Canada would allow the same articles to enter this country free of customs duties.

The Conservatives, from that time on, made reciprocity proposals upon the basis of this offer of 1879.

It was some years afterwards before another effort was made to secure a reciprocal arrangement. The fisheries dispute paved the way, in the next attempt, just as it had in certain previous ones. The Canadians had recognized the importance of the north Atlantic fisheries, as a lever to force concessions from the American authorities in the direction of freer trade.

The treaty of Washington of 1871 put an end to the fisheries dispute after fifteen years. The time approached for the agreement to come to an end and Canadians prepared to make the best of the opportunity.

Sir Charles Tupper went to Washington in 1888 and had a conference with Secretary of State Bayard. The Canadian offer was to give free fish for free trade in natural products. A treaty was arranged and sent to the United States Senate, but was not rati-

fied. The "Commercial Union" movement is the most interesting phase of the long period of agitation for reciprocity between the two countries. It had its origin in Canada. Among the most active and enthusiastic leaders, however, were some Americans. Among the leaders were the following: Erastus Wiman, President of the Great Northwestern Telegraph Company, a Canadian by birth but residing in New Jersey; Goldwin Smith, eminent historian and scholar; Benjamin Butterworth, representative in congress from Cincinnati, Ohio; and Samuel J. Ritchie, an Akron, Ohio, manufacturer, owning nickel mines in Ontario. The latter and his legal adviser, Mr. Butterworth, spent much time and money in the spread of the doctrine.

The movement was first taken up by the Toronto Mail and later by the Toronto Globe. Commercial leagues were formed throughout the country. The doctrine actually involved an unrestricted trade with the pooling of customs duties, to be divided upon some agreed proportion.

In the spring of 1888 the leaders of the Liberal party in caucus decided, after some discussion, to support Sir Richard Cartwright in a motion for what he termed "Unrestricted Reciprocity" with the United States. Conservatives and Liberals alike had supported reciprocity and many Conservatives had supported the doctrine of "Commercial Union." It had not yet become a party issue. When Cartwright introduced his resolution it served as a challenge. When George E. Foster arose early in the debate and offered an amendment to the main motion which stated that the government would adhere to the standing offer of 1879 the issue was clear. It had become a party question. The debate originally intended for but two or three days, dragged on for a month. Cartwright and his followers had to distinguish between commercial union and unrestricted reciprocity. The Conservatives attacked the Liberal motion chiefly because it included discrimination against the mother country and would lead, they insisted, to political union. The motion was defeated by a party vote of 124 to 67. There were four New Brunswick Conservatives who voted for the motion.

In 1890 the Colonial Secretary of Newfoundland, the Hon. Robert Bond, went to Washington and succeeded in drawing up a convention with Mr. Blaine which provided for freer trade between the two countries. When Sir John A. Macdonald heard of this he sent Sir Charles Tupper to Washington, who suggested that they proceed to base a treaty on the Elgin treaty of 1854, as a basis for a new agreement. But Mr. Blaine insisted that that treaty was not wide enough. Sir Charles Tupper returned to Canada and intimated that an arrangement could be made. Macdonald and Tupper were urged to go to the people, in a general election, if they could assure the electorate they were negotiating a reciprocal arrangement with the United States.

In 1892 Canadian commissioners led by Mr. Foster again presented their case to the American government. Nothing further was done in the matter until 1911, when the Hon. W. S. Fielding and the Hon. William Paterson proceeded to Washington and negotiated a reciprocity treaty which was known as the Taft-Fielding proposal. This treaty was defeated in the general election of 1911.

Now, Mr. Speaker, there is another matter which is closely allied with the reciprocity negotiations. In fact the reciprocity conversations and negotiations were really a result of the treaty of 1818 between the British government and the United States government, and in view of the present agitation regarding the renewal of the so-called modus vivendi, it would be as well to give also the history surrounding it. Article 1 of the treaty stipulated—

> (a) That the inhabitants of the United States shall have forever in common with British subjects the "liberty" to take fish of every kind on a portion of the coast of Newfoundland, about the Magdalen islands, and on the north shore of the gulf of St. Lawrence eastward from Point Joli, and to dry and cure fish on the said portion of the north shore so long as it remained unsettled, and afterwards by agreement with the settlers.
>
> (b) That the United States renounce forever the liberty claimed on the other parts of the coast for their fishermen, but that they would be permitted to enter bays and harbours on all portions of the Canadian coast for wood, water, shelter and repairs "but for no other purpose whatever."

The two countries placed different interpretations on certain parts of the above article of the treaty and difficulties arose. Consequently the Reciprocity treaty of 1854, mentioned previously, resulted, and fish and fish products of each country were admitted free of duty into the other and reciprocal fishing privileges were authorized in certain territorial waters of each country.

It was out of this treaty of 1888 that the system of issuing what are called modus vivendi licences to the United States fishing vessels was started. May I say here modus vivendi means a working arrangement, a practical compromise. The British plenti-potentiaries feeling that it would take some time to have the treaty made effective recom-

mended a modus vivendi not to last more than two years, under which United States fishing vessels, by the payment of a fee of one dollar and fifty cents per registered ton, could obtain the port privileges contemplated by the treaty and thus avoid the difficulties that would ensue while limiting such vessels to their liberties under the treaty of 1818. The privileges were (a) the purchase of bait, ice, seines, lines, and all other supplies and outfits and the transhipment of catch and the shipping of crews.

These licences were yearly continued thereafter and in 1892 an act was passed giving the governor in council power to authorize the issue of the licences. This act formed section three of the Customs and Fisheries Protection Act.

In 1918 on the recommendation of an International Fisheries Commission, the privileges covered by the modus vivendi were granted reciprocally in either country to the fishing vessels of the other.

In 1921 the United States gave notice that the privileges granted in 1918 were to be terminated in that country. They were continued, however, in Canada without licence until the season of 1922 when the modus vivendi licences were again introduced, but later in that year the fee for the licence was reduced from one dollar and fifty cents per ton to a nominal sum of one dollar per vessel. The authority of council was given for the granting of such licences at the nominal fee for that year and the following year.

As a result of some agitation on the Atlantic coast for the discontinuance of the modus vivendi privileges to United States fishing vessels unless the United States recognized the advantages of such privileges, it was decided by order in council of November, 1923, that modus vivendi licences should not be continued after the end of that year. The United States government was so notified, and from that date until the present time no modus vivendi licences have been issued and United States vessels are now restricted to the simple privileges of entering our bays and harbours for the purpose of obtaining wood, water, shelter and repairs but for no other purpose whatsoever.

As I said a moment ago, in dealing with this question, which to my mind is a very serious one, especially as far as the maritime provinces are concerned, I intend only to deal with the question of the fisheries. Before dealing with what I consider would be the benefits of reciprocity may I speak for a moment in regard to what is known as the modus vivendi? From this history which I have given it appears clearly that during the years the modus vivendi was in operation United States fishing vessels could come into our ports and buy bait and supplies and tranship fish. There was a good deal of business done in the maritime provinces. I have always been a great advocate of freedom of trade. I am trying to keep as far away as I can from the political side of this matter, but I never could see why under the treaty of 1818 or subsequent treaties the late Liberal government or previous governments in this country would not allow United States fishing vessels to come into Canadian ports and do business with us. I notice, in reading the newspapers the last few months, that my good friend the member for Cumberland (Mr. Smith) was in Ottawa and strongly recommended to the government that the modus vivendi arrangement should be reopened so that fishing vessels could come into Canadian ports. I want to thank him for the great interest he has taken in the matter. I am only sorry that the newspaper reported that his idea was that every year these privileges should be granted only for the space of three months. I intend to prove that if it is a good thing that American fishing vessels be allowed to come into our ports for bait, ice, provisions and supplies for three months it would be a much better thing if they were allowed to come in for the whole year. I notice that in the Halifax Herald of Saturday a dispatch from Ottawa headed:

Privileges are Being Restored to United States Schooners

And the dispatch goes on to say:

The privileges, it is stated, are to be restored for a limited period, believed to be six weeks, particularly to provide for the sale of bait of which there is a large supply in Nova Scotia cold storage plants.

I hope that dispatch is only partly true. Again I say I am strongly in favour of opening our ports to United States fishing vessels; not for six weeks or three months, but for as many years as those vessels want to do business with us.

Mr. ERNST: I should like to ask one question, and I am asking it in good faith. Does the hon. member favour the transshipment of fish in bond through Canadian ports by United States fishing vessels?

Mr. DUFF: I intend to deal with that question in a moment. It will be noticed, Mr. Speaker, that this dispatch says that the reason for granting these United States vessels the privilege of coming into our ports for six weeks is that certain cold storage plants have a large supply of bait. If these vessels had been allowed to come into our ports for

twelve months of the year these cold storage plants would not have had this large quantity of bait on hand. I am very much afraid that if this arrangement is made for six weeks it will only give the cold storage plants a chance to get rid of their bait, with the result that the same thing will happen again that has happened in previous years.

If the United States fishing vessels can enter our ports twelve months of the year they can buy bait direct from the fishermen; if they are allowed to enter only for six weeks they will have to buy bait at the cold storage plants. This means that the plants—the big interests, if you like to call them that—who buy bait from the fishermen at ridiculously low prices and put it in their cold storage plants, will sell that same bait to the United States fishermen at higher prices. Last year I knew of traps full of herring and squid that had to be opened so that the herring and squid could escape because there was no one to buy them. If United States fishing vessels had been allowed to buy bait then probably these fishermen could have sold their catches. I know of another case not a thousand miles from my own home. There was no demand for bait; the squid, the best bait that can be bought, were sold by the fishermen to the cold storage plants for 30 cents a bushel, and herring was sold to the same plants for 25 cents a bushel. If United States fishermen had been allowed to come to Nova Scotia ports and buy that bait direct from the fishermen, instead of the poor devil of a fisherman getting 30 cents a bushel for bait which was later sold by the cold storage plants for 4 cents a pound, he would have received $1 or $1.50 a bushel. I commend the government for considering the opening of Nova Scotia ports, but if they are going to open them at all they should be kept open so that the fishermen along the shores of Nova Scotia and New Brunswick will be able to sell their bait direct to United States and Canadian fishing vessels, which will give them a better return.

I said I was in favour of these vessels coming to our ports, not only to buy bait but to buy ice as well. This would mean that the ice houses in Canso, Lunenburg, Yarmouth and other places would be filled with ice which would be sold to the fishermen. Then my hon. friend from Queens-Lunenburg (Mr. Ernst) asked me a question. Certainly I am in favour of allowing United States vessels to trans-ship their catches in bond from Nova Scotia ports to Boston. Of course we are all interested in the fishermen and in our fisheries, but I think it will be admitted—and I say this with all modesty—that I am just as much interested in the fishermen of Nova Scotia as anyone else, and I say that if we allow United States vessels to come to Canadian ports and trans-ship their fish it will mean more labour for Canadian workmen. Ice will have to be bought. Boxes will have to be made from Canadian lumber by Canadian workmen. Men will have to pack the fish in the boxes; teamsters will have to haul the fish to the railway station; the Canadian National railways will get the haul to Yarmouth, and the steamer will carry the fish to Boston, New York or wherever they go. Surely there can be no harm in that. It will not hurt Canadian fishermen if we allow this practice to be carried on. These fish do not come in competition with fish caught by Canadian fishermen; they go direct to United States ports. So I will say that I am strongly in favour of allowing these vessels to enter our ports throughout the year so that they can do business with us and spend their good American money here.

I said that I intended to deal with only one phase of this subject, Mr. Speaker, but it might be interesting if I were to place on Hansard a statement showing the exports of certain qualities of fish shipped from Canada during the years 1919, 1926 and 1931. This statement shows our total exports of certain kinds of fish to British Empire countries and to the United States, including Puerto Rico. I have not time to read the whole statement, but I am going to ask that it be placed on Hansard so that hon. members may have the benefit of these figures.

STATEMENT SHOWING TOTAL EXPORTATION OF CERTAIN KINDS OF FISH FROM CANADA, THE TOTAL TO BRITISH EMPIRE COUNTRIES AND THE TOTAL TO THE UNITED STATES (INCLUDING PUERTO RICO) IN 1919-1926-1931

| — | | 1919 | | | 1926 | | | 1931 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total Exportation | British Empire | United States | Total Exportation | British Empire | United States | Total Exportation | British Empire | United States |
| Cod, fresh | Cwt. | 31,154 | 2,226 | 28,928 | 12,494 | 206 | 12,198 | 5,108 | 140 | 4,923 |
| " boneless | " | 15,323 | 695 | 14,146 | 19,124 | 108 | 19,004 | 20,035 | 321 | 19,712 |
| " dried | " | 697,794 | 75,789 | 267,474 | 638,266 | 110,032 | 256,841 | 374,500 | 79,365 | 174,682 |
| " green-salted | " | 195,229 | 761 | 194,466 | 67,095 | 92 | 66,940 | 72,067 | 3,792 | 68,238 |
| Haddock, fresh and smoked | " | 46,431 | 5,614 | 40,786 | 26,337 | 853 | 25,474 | 42,666 | 318 | 42,217 |
| " dried | " | 79,887 | 4,845 | 62,558 | 36,012 | 4,515 | 11,424 | 13,179 | 1,158 | 1,213 |
| Pollock, Hake and Cusk, dried | " | 64,659 | 36,000 | 14,529 | 53,445 | 25,042 | 7,310 | 50,136 | 14,961 | 3,351 |
| " " greensalted | " | 49,501 | 58 | 49,443 | 8,478 | 208 | 8,270 | 4,807 | 178 | 4,629 |
| Mackerel, fresh | " | 52,295 | ..... | 52,295 | 24,175 | ..... | 24,175 | 17,984 | 3 | 17,981 |
| " salted | " | 91,661 | 16,123 | 74,703 | 50,315 | 41,570 | 6,012 | 88,932 | 70,311 | 16,170 |
| Halibut, fresh | " | 32,590 | 86 | 32,504 | 32,140 | 204 | 31,883 | 38,394 | 119 | 38,247 |
| Salmon, fresh or frozen | " | 312,419 | 4,864 | 307,555 | 75,800 | 14,799 | 56,302 | 98,327 | 28,322 | 55,800 |
| Clams, canned | " | 2,100 | 12 | 2,088 | 8,742 | 27 | 8,714 | 1,774 | 68 | 1,695 |
| Salmon trout (lake fish) | " | 28,739 | 10 | 28,729 | 38,998 | ..... | 38,998 | 27,516 | ..... | 27,516 |
| Whitefish " | " | 102,609 | 1,094 | 101,515 | 124,480 | ..... | 124,480 | 94,170 | ..... | 94,170 |
| Tullibee " | " | 49,875 | ..... | 49,875 | 76,963 | ..... | 76,963 | 31,423 | ..... | 31,423 |
| Other lake fish " | " | 231,887 | 37 | 231,845 | 319,414 | ..... | 319,188 | 282,435 | ..... | 282,435 |
| Fish oils | gal. | 1,110,094 | 39,159 | 1,046,256 | 2,381,902 | 42,810 | 1,997,730 | 2,513,188 | 105,084 | 2,408,104 |

First I should like to deal with one or two matters which are covered by this statement. In 1919 our total exports of fresh codfish amounted to 31,154 hundredweight, or 3,115,400 pounds. Of that quantity only 2,226 hundredweight went to British Empire countries, not including Great Britain, while we sent to the United States 28,928 hundredweight or 2,892,800 pounds. Now let us take dried codfish, of which our total exports amounted to 697,794 hundredweight. In addition to British Empire countries and the United States those dried codfish went to Italy, Greece, the Argentine, Brazil and many other countries. Of that total 75,789 hundredweight went to British Empire countries, and I think I am safe in saying that practically none went to Great Britain. To the United States we shipped 267,474 hundredweight or 26,747,400 pounds. Practically our entire exports to British Empire countries went to Trinidad, Jamaica and Demerara.

I might read this whole statement, but I do not think it is necessary. For a moment, however, I should like to deal with some of the duties imposed on these fish. On the 26,747,400 pounds of dried codfish shipped to the United States in 1919 the duty amounted to $334,342.50.

Mr. ERNST: Have you the rate? I mean at that time, in 1919.

Mr. DUFF: It is 1¼ cents per pound or $5.60 per tierce of 448 pounds on dry fish alone.

Mr. ERNST: I am merely asking for information.

Mr. DUFF: It might be argued that the consumer pays that $334,000. I am convinced, and I believe that business men are also convinced, that this duty is not paid by the consumer but by the fishermen of Canada, and the reason for that is that the price of fish is not fixed in Halifax or Saint John or Vancouver but in the foreign port. It is quite true of course that in some cases there is made out what is known as an f.o.b. invoice, but that is based on the price in the foreign market less duty, less insurance and less freight.

An hon. MEMBER: Who imposed the duty?

Mr. DUFF: My hon. friend asks who imposed the duty; the United States, of course. Now, in my opinion, with the Canadian fisheries in their present condition, there is only one salvation for them and that is for this government to make a trade arrangement with the United States so that our fish might go into that country.

We hear a good deal about trawlers nowadays. I have no time to go into that question to-day, but if we had the United States for a market there would not be very much talk about trawlers because the trouble to-day is that Canada is a very small market. Great Britain is too far away from us, being some twenty-five hundred miles across the water, and they have their own source of supply so far as fish is concerned, so that practically the only market open to us now, to which we can extend our business, is the United States. I need not say that the fisheries of this country are in a deplorable condition, and I appeal to the government to do everything they can to help the industry. There is no question about it that there is a great opportunity for the government as well as for the fishermen of Canada. We read over the lintel at the main entrance to this building these words:

> The wholesome sea is at her gates,
> Her gates both east and west.

What is the use of having the wholesome sea at both our gates if we do not take advantage of it? The sea is full of fish and our fishermen are only too ready to catch them if they could get a half decent market, but when they have to face a duty of hundreds of thousands of dollars there is no hope for them. I do not blame this country, but the fact is that there is a duty which the United States government has imposed which makes it impossible for the fishermen of this country to carry on their operations in a proper manner. I think the time is ripe for something to be done if we are to be clear of our surplus product. This is the time for the government to enter into negotiations with the government of the United States.

In January I noticed in the Cosmopolitan magazine an interview given by President-elect Roosevelt, in which he made this statement:

> This plan must go into effect at the same time that international trade is being restored through tariff adjustments. Every major problem before us to-day is involved with the tariff. The building of a higher tariff fence about ourselves has caused foreign retaliatory tariffs and prevented even the simple exchange and barter of goods internationally. By reciprocal agreements with other nations we shall have opportunity given to lower our tariff fence to permit the resumption of international trade. The United States can lead in outlining the mutual restoration of trade, and thus facilitate exchange.

Those are the words of President-elect Roosevelt and, I repeat, the time is ripe for this government to do something in the matter. Let me give some quotations from

prominent authorities. Sir Robert Borden, Canadian head of Barclay's bank, declares that:

> The removal of restrictions that impede the interchange of products is the crying need of nations suffering from the depression.

Certainly the fishermen of this country are suffering not only from the present depression but from restricted markets, and neither this nor any other government could do anything better than to endeavour to obtain a market for the Canadian fishermen.

Sir Herbert Holt, in his annual report of the Royal Bank of Canada, deplored:

> . . . the futility of the trade warfare of which tariffs are the most important weapon.

Sir John Aird, president of the Canadian Bank of Commerce wants:

> . . . a general and uniform reduction of tariffs the world over.

Mr. S. J. Moore of the Bank of Nova Scotia:

> . . . sees the nations in a state of economic siege, trying to starve one another out of an impossible position.

And Mr. J. A. McLeod, of the Bank of Nova Scotia, calls for:

> . . . sweeping reciprocal reductions in tariffs among all countries.

Surely Mr. McLeod's words, if they mean anything, are to be taken as including the United States in the desire for sweeping reciprocal reductions. We have heard a good deal about Mr. Roger Babson. As quoted in the Halifax Herald, New Year's issue, this gentleman makes the following statement:

> Existing tariff discriminations whereby Nova Scotia is unable to sell her fish, coal and lumber and other products to the Atlantic seaboard territories which constitute your natural markets; and yet is compelled to pay from 25 per cent to 50 per cent additional on automobiles, clothing, shoes and practically all manufactured goods. The maritime provinces should have a separate tariff with the United States.

I do not agree with that last statement, because I think we should have only one tariff in the country; but there is no reason why a proper arrangement could not be made with our great neighbour to the south, so far as Nova Scotia and the maritimes are concerned.

Captain O'Donnell of the Eastern Steamships Company, in the same paper makes this statement:

> In order that you may trade with the United States and she in turn shall offer you what she produces we must in some way bring about tariff adjustments that will be to the advantage of all of us who live on each side of the line dividing our countries—the line on which there is not a single fortress or a suggestion that we are not neighbours and friends who trust each other.

I have here another statement giving the views of the premier of Nova Scotia, as published in the same issue of the Halifax Herald to which I have referred:

> Our lumbering and fishing industries in so far as they rely upon export markets have experienced the difficulties consequent upon the lack of purchasing power in their former markets and this situation has been aggravated by adverse tariffs and unfavourable exchange.

In view of all these expressions of opinion, I think I am justified in asking the government, at the earliest opportunity, to approach the great country to the south of us, a country which has a potential market for Canada of 120,000,000 people, with a view to securing an outlet for our fish products. I am sure that with the experience which they have gone through in the last five or six years, the United States must realize that the duties they have placed on fish, both in the Fordney-McCumber and in the Hawley-Smoot tariffs, have not helped the fishermen of the United States, while they have been detrimental to those of Canada.

I hope that the suggestion will not be made either in this debate or in the country, but it might be said that if we entered into a reciprocal trade arrangement or a commercial arrangement with the United States there would be danger of this country being too closely connected with our southern neighbour. I do not think for a moment that the people of Canada will sell their birthright for a mess of pottage. We are loyal citizens of the British Empire. If we sell our fish, lumber or anything else to the greatest, the nearest and the most natural market, as far as the maritime provinces are concerned, then I say we should fear no danger. We are daughters in our mother's house and mistress in our own. We are going to remain daughters in our mother's house and all we ask of the British Empire, all we ask of this country is to stand by the maritime provinces and give us a reciprocal trade arrangement with the United States so that we can do business with and make money in dealing in a businesslike and reciprocal manner with them.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, with the temper of the observations of the hon. member for Antigonish-Guysborough (Mr. Duff) one can find little or no complaint. I am not wholly in accord with some of his statements of fact for reasons which I shall presently indicate, but

in the main there is no difference. One might summarize his statement in this way: He has made a strong plea that the legislature of another country should act differently from what it has. That is all that it means when stripped of everything, an appeal is being made to the congress of the United States to take action different from that which they have heretofore taken.

Mr. DUFF: Except holding out the olive branch.

Mr. BENNETT: We shall deal with that presently.

In view of the present condition of economic matters in the world, I think it well to make a more extended statement than I otherwise would with respect to this particular matter. It is well to remember the historic background in connection with reciprocity and it is also well to remember that the remedy which the hon. gentleman seeks is one that is not in our hands to grant. If we keep these two facts in mind I think perhaps we will be able to approach this problem without prejudice and without any feeling of resentment against another country that has pursued a fiscal policy which to its representatives in congress seems best. This is just as we have done. If we concede the right to others to do that which we ourselves have done, we will then probably be able to appreciate the problem more clearly than if we claimed the right, on the one hand, to do as we pleased and, on the other, denied that right to others.

In 1879 when the national policy was introduced in this country, section 6 of the legislation provided as follows:

6. Any or all of the following articles,—that is to say: animals of all kinds, green fruit, hay, straw, bran, seeds of all kinds, vegetables (including potatoes and other roots), plants, trees, and shrubs, coal and coke, salt, hops, wheat, peas and beans, barley, rye, oats, Indian corn, buckwheat and all other grain, flour of wheat and flour of rye, Indian meal and oatmeal, and flour or meal of any other grain, butter, cheese, fish (salted or smoked), lard, tallow, meats (fresh, salted or smoked), and lumber, may be imported into Canada free of duty, or at a less rate of duty than is provided by this act, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada.

In introducing his budget upon that occasion the late Sir Leonard Tilley made an observation which I think it might be well for me to read. He said:

I have this to say to our American friends: In 1865 they abrogated the reciprocity treaty, and from that day to the present a large portion of the imports from that country into the dominion have been admitted free. We have hoped, but hoped in vain, that by the adoption of that policy we would lead our American friends to treat us in a more liberal spirit with regard to the same articles. Well, after having waited twelve years for the consideration of this subject, the government requiring more revenue, have determined to ask this house to impose upon the products of the United States that have been free, such a duty as may seem consistent with our position. But the government couple with the proposal, in order to show that we approach this question with no unfriendly spirit, a resolution that will be laid on the table containing a proposition to this effect: That, as to articles named, which are the natural products of the country, including lumber, if the United States take off the duties in part or in whole, we are prepared to meet them with equal concessions. The government believe in a reciprocity tariff, yet may discuss free trade or protection, but the question of to-day is—Shall we have a reciprocity tariff, or a one-sided tariff?

That was in 1879. That legislation remained upon the statute books of this country in that or some modified form for very many years. In fact, that section, the terms of which I have just read, section 6 in the legislation of 1879, will be found in the revised statutes of 1886. In 1888 there was a revision of the proposals, but in the main they remained as I have read them. The legislation of 1888 was somewhat different from that of 1879, and in order that there may be no misapprehension on the part of the house as to what the proposals of this parliament have been—when I say this parliament, I mean that although the proposals were introduced by the government of the day in the end they were crystallized into legislation which constituted the offer which the parliament of Canada made to our great neighbour with respect to the matters to which I refer—I shall read section 9 of the legislation of 1888, which is slightly different from the section I read first. The words are as follows:

9. Any or all of the following things, that is to say: Animals of all kinds, hay, straw, vegetables (including potatoes and other roots), salt, peas, beans, barley, malt, rye, oats, buckwheat, flour or rye, oatmeal, buckwheat flour, butter, cheese, fish of all kinds, fish oil, products of fish and of all other creatures living in the water, fresh meats, poultry, stone or marble in its crude or unwrought state, lime, gypsum or plaster of paris (ground, unground, or calcined), hewn or wrought or unwrought burr and grindstones, and timber and lumber of all kinds unmanufactured in whole or in part, including shingles, clapboards, and wood pulp, may be imported into Canada free of duty, or at less rate of duty than is provided for by an act at the time in force, upon proclamation of the Governor General, which may be issued whenever it appears to his satisfaction that similar

articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada.

It will be observed that this list contains items which were not in the first list, and that the first list contains items deleted from this one. In 1890 there was a reenactment of the terms of section 9 of 1888. In 1894, fifteen years after the original offer had been made in 1879, there was a substantial modification in the terms of the proposals. Section 7, 8, 10, 11, 12 and 24 of chapter 33 of the statutes of that year contain the offer or proposals of the dominion parliament in that regard. Sections 7, 8 and 10 read:

7. The whole or part of the duties hereby imposed upon fish and other products of the fisheries may be remitted as respects either the United States or Newfoundland, or both, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that the governments of the United States and Newfoundland, or of either of them, have made changes in their tariffs of duties imposed upon articles imported from Canada, in reduction or repeal of the duties in force in the said countries respectively.

8. Eggs may be imported into Canada free of duty, or at a less duty than is provided for by this act, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that eggs from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on eggs under such proclamation when imported into Canada.

10. Shingles and pulp wood, or either of them, may be imported into Canada free of duty, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that shingles and pulp wood, or either of them, from Canada may be imported into the United States free of duty.

Then section 11 reads:

Any or all of the following things, that is to say: green or ripe apples, beans, buckwheat, pease, potatoes, rye, rye-flour, hay, and vegetables specified in item 41 in schedule A to this act, shall be free of duty when imported into Canada from the country of production, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that such country imposes no duty on the like product or products imported into it from Canada.

It will be observed that instead of limiting the proposed offer to the United States of America, it is extended to any country which grants reciprocal benefits to this country.

Then barley and Indian corn were dealt with by section 12:

Barley and Indian corn shall be free of duty when imported into Canada from the country of production, upon proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that such country whence either or both these products are imported admits both these products free of duty imported into it from Canada.

[Mr. Bennett.]

By this statute the acts that I have just previously quoted were repealed. That contains the offers that were made up to that day, and it might be well in this regard to refer to the speech that was made by the late Right Hon. George E. Foster on March 27, 1890, when this and the similar section that I have just read were under consideration:

I now come to another item about which there has been considerable discussion in the house, and out of it. It is that which relates to plants, fruits, shrubs and the like, and with which this house dealt in 1888. By an order in council of April 14, 1888, certain fruits and plants and shrubs were placed upon the free list. This arose from the fact that in the Tariff Act of 1879, there was a clause which left it permissive with the government, on a certain list of articles, to either reduce the duty upon them or to remove the duty altogether when such articles were either free, or of less duty in the United States than was charged here. The matter was brought to the attention of the government in 1888 under the peculiar circumstances which at that time prevailed. It was contended by gentlemen of the opposition that it was not treating the United States fairly, when they had any one of these articles at a lower duty, if we did not place that article on the same tariff footing as it was in the United States. It was contended on this side of the house that this clause of the act was simply permissive and not mandatory on the government and that it rested with the government of Canada to say whether this should be done in individual instances or not, and that what was contemplated in that article in the tariff law was that when those products as a whole, or as many of them as Canada should consider it to be in her interest to reciprocate in, were placed on the free list or had a lower rate of duty imposed upon them, the government would reduce its duties upon them, to the same level. However, under the circumstances that prevailed at that time, it was decided to put these articles on the free list, and a very considerable amount of duty was lost in consequence, and a very considerable damage was done to a large and important interest in this country.

I read that merely to indicate that at that time there was a contention made that the offer must be taken as a whole, rather than that the individual items that constituted the offer should be considered if the circumstances warranted. In the event, it transpired that the government of the day treated the offer as referring to individual items. In 1891, the year following the speech to which I have just referred, the finance minister, still the Right Hon. George E. Foster, said:

But I may say this, that the government holds itself ready, as the Liberal-Conservative governments have always done, to meet the United States on a fair and equitable basis and with the sincere and earnest desire to remove all differences that exist and to give the greatest freedom of trade compatible with the best interests of this country in its relations with the United States of America. Certainly no govern-

ment of a self-governing and self-respecting country should be asked to do more. Further than this, we can state that while we are willing to make all the concessions that on these lines can fairly be made, we are not willing to go so far as to injuriously shut ourselves out from the trade which we have with Great Britain and the other countries in the world, that we are not willing to forego, for a doubtful gain, the substantial advantages which we have enjoyed and expect to enjoy from our relations with the mother country, from which connection we have reaped so much in the past and from which we hope so much in the future.

Then in the speech of 1894, in which a revision of the offer was made, as I have just read, these words were used by the Right Hon. George E. Foster:

When we come to the grains—oats have been kept at 10 cents per bushel, and cornmeal at 40 cents per barrel, but two schedules have been formed with other grains, and two or three other agricultural products. The first schedule contains corn and barley. The duties on these are kept as they were before, but there is added this clause, "Provided that barley and Indian corn shall be free of duty when imported into Canada from the country of production, if such country, whence either or both are imported, admits both these products free of duty, when imported thence from Canada. That is an offer of reciprocity to any country that chooses to take it up.

The object of leaving oats out of that proposal was to retain protection to that product of the farmer in Canada, a very large product and one which, in some portions of Canada, might be adversely affected at certain times and under certain conditions, if the duty were removed. Then again buckwheat, buckwhat meal, rye, rye flour, beans, peas, hay, potatoes, green and ripe apples, and vegetables, are left with the same duties, or nearly the same, as they had under the old tariff, and it is enacted that each of the above products shall be admitted free of duty from any country which imposes no duty on the like product when imported from Canada.

I repeat that by 1894 the parliament of Canada had extended the offer made in 1879 with respect to the countries that might accept it, because in 1894 the offer became open to all the countries of the world, whereas in 1879 it had reference only to the United States, and later to Newfoundland. So that the effect between 1879 and 1894 was to induce the Canadian people, speaking through their representatives in this parliament, to place upon the statute books an offer that was open to all the world with respect to the items to which I have referred. After the change of administration in 1896 it will be recalled that certain reciprocal offers were made, and I think perhaps it might be advantageous to refer to them.

Section 7 of chapter 16 of the revised statutes of 1897 reads as follows:

The whole or part of the duties hereby imposed upon fish and other products of the fisheries may be remitted as respects either the United States or Newfoundland, or both, upon proclamation of the governor in council, which may be issued, whenever it appears to his satisfaction that the governments of the United States and Newfoundland, or either of them, have made changes in their tariffs of duties imposed upon articles imported from Canada, in reduction or repeal of the duties in force in the said countries respectively.

Then there was a protective clause with respect to the French treaty of 1894. Section 16 reads:

Nothing contained in the foregoing provisions shall affect the French Treaty Act, 1894, or chapter three of the statutes of 1895, intituled An Act respecting Commercial Treaties affecting Canada.

Then follows section 17:

17. When the customs tariff of any country admits the products of Canada on terms which, on the whole, are as favourable to Canada as the terms of the reciprocal tariff herein referred to are to the countries to which it may apply, articles which are the growth, produce, or manufacture of such country, when imported direct therefrom, may then be entered for duty, or taken out of warehouse for consumption in Canada, at the reduced rates of duty, provided in the reciprocal tariff set forth in schedule D to this act.

2. Any question arising as to the countries entitled to the benefits of the reciprocal tariff shall be decided by the controller of customs, subject to the authority of the governor in council.

3. The governor in council may extend the benefits of the reciprocal tariff to any country entitled thereto by virtue of a treaty with Her Majesty.

4. The controller of customs may make such regulations as are necessary for carrying out the intention of this section.

The house will observe that instead of declaring that the benefits might be clearly reciprocal, the words used were "on the whole." That is, if on consideration of the whole tariff proposals it was clear that the benefits this country would derive would equal the benefits this country was offering or giving or granting, then the reciprocal arrangement would apply by virtue of the proclamation. That, too, was an extension of the general principle that began in 1879. That is, we find in 1897 not any astute desire to find equality through the crossing of a "t" or the dotting of an "i", but rather, if on the whole the benefits were at least equal, the reciprocal provisions should obtain.

Then we have further a consideration of this matter by reason of the fact that there was a continuous increase in the American tariff. The McKinley tariff had been increasing the then tariff of the United States, the Dingley tariff and the tariffs that followed, until the advent into power of the Democratic administration under President

Wilson, when there was a complete revision of the tariffs and a reduction resulting in free entry into the United States markets of many of our commodities. This was coupled with a reciprocal provision in the American Tariff Act whereby on proclamation they could admit into their markets free certain commodities produced in Canada, if Canada took similar action. It will be remembered that pursuant to that provision the Dominion of Canada did issue a proclamation whereby wheat, flour and semolina were given free entry into the Canadian market, and as a result we had free entry into the American market.

The matter of course engaged the attention of the new administration of 1896. Perhaps it will be within the memory of most hon. members in this house that the late Right Hon. Sir Wilfrid Laurier set up a commission which went to Washington for the purpose of ascertaining just what could be done to extend our trade in that direction. It will also be recalled that in the end that mission failed. We find that in 1910 the late Right Hon. W. S. Fielding, then Minister of Finance, in his budget speech used these words:

> We had had negotiations from time to time with our American friends in relation to better trade conditions, and they had not turned out very successfully. We had, after repeated efforts, taken the ground that we should not again approach the United States with proposals for betterment of our trade relations, and that, if the matter was to be reopened again, it should be reopened, not upon the initiative of Canada, but upon the initiative of the United States. Accordingly, we declined to make any approach to the United States while the question of the French treaty was pending.
>
> We claimed that our treaty with France was a treaty of reciprocity; that is to say, that we granted to France certain concessions in return for which France granted us similar or equivalent concessions. We said to the United States; If you want these concessions that France received from us, you should be prepared to purchase them as France did by giving what we would regard as equivalent concessions. To that our friends in the United States naturally demurred. They claimed that if they gave us what is called the favoured nation treatment—the best that was going—that we should do the same with them. That, however, was a view we ought not to take. We refused to take it in the beginning, and we refuse to take it now.

Those were the words of Mr. Fielding in 1910 after, as you will remember, an earnest effort had been made by the Canadian government of that day to induce our American friends to enter into a trade agreement.

In 1911, the next year, an agreement was entered into which was not quite what the hon. gentleman who has just taken his seat described. It was not a treaty; the hon. member referred to it as such. On more than one occasion I have in this house indicated clearly the reasons I for one was opposed to that measure. First, it was an agreement incorporated into the statutes of both countries for that year, and it mentioned a limited number of items. But it was so framed that the change by this dominion of its tariff with respect to any one of those items terminated the agreement; secondly, the agreement was for no period of time, or for no definite length of years. It merely meant that if the interests of the United States could best be served by terminating it, all they had to do was to change the tariff rate on any single item, and the agreement then fell by the way. Equally, if the Dominion of Canada came to a similar conclusion and changed a single item, then, the agreement fell. I have made this statement so frequently that I hesitate to trouble the house to listen again, but I shall repeat that in my judgment any trade agreement which creates a channel of trade that may be terminated at the caprice or without notice to the other party, or be terminated by one party without considering the interests of the other, is fatal to the interests of both, because there is always a conflict of interest. All the terms of the agreement no longer have any appplication if, by reason of changed conditions one of the parties concludes the best thing it can do is to terminate the agreement by merely changing the tariff in regard to one item.

The people of Canada rejected the proposal, and I believe if they were asked again they would conclude that any arrangement which left us in a position whereby our trade relations could be changed over night for any reason, good or bad, which might occur to the minds of the American congress, would not be a sound or sane venture for a country such as ours. That is, we cannot hope to develop the resources of our country or give it favourable position in the trade of the world if we render it possible for a channel of trade to be dammed up, shut off, diverted or ruined by any action which may be taken by another party without notice to or regard for ourselves. Whatever else may be said, the fact is that with the coming of the great war the agreement could not have remained in the terms in which it stood because it would have been essential for either one or both of the parties to have modified it.

In the meantime, as will be remembered the Democratic party having come into power, and President Wilson's policy being that of lower tariffs, we had access to the American market for our wheat, cattle and many other commodities under terms which were highly satisfactory to Canadian producers.

There then came a change of administration in the United States and also a change of administration in Canada. The Liberal party was in power in this country and the Republican party in power in the United States. The old veteran Minister of Finance, Mr. Fielding, was again in his former position. I think it is fair to say that everything reasonable men could do compatible with self respect and regard for the honour of their country was done by the Minister of Finance of that day to secure lower tariffs from the United States. But the efforts failed.

I find that in 1923, after the new Republican administration was in power, Mr. Fielding in his budget speech used these words:

In the name of the Liberal party of Canada, I declare to-day that we stand for reciprocity with the United States. I say that when the opportunity comes to make a fair treaty or agreement—and I say the agreement of 1911 was a fair and reasonable agreement and I am glad that our Progressive friends call for a repetition of that agreement in their motion to-day; to that extent I agree with it—but I say that when the opportunity comes we are proud to declare in the face of the parliament of Canada, whatever the fate of it may be, that this Liberal party stands for reciprocity with the United States when we can get a fair and reasonable agreement. That is our position. We are content to let the people judge between the hon. gentleman and ourselves on that point.

And towards the close of the debate, on May 23, 1923, the right hon. gentleman opposite who is now leader of the opposition used these words:

What is the position with regard to the United States? Since the Liberal convention was held, there has been enacted by the United States a much higher tariff than ever before existed between Canada and the United States. The Fordney-McCumber tariff, so-called, to-day is operating to the disadvantage of Canada. Is there any member of this house who will stand up in his place and say: Nothwithstanding that obvious fact we think we should throw down our bars against the United States and give them an opportunity to come in here and affect our industries in a manner even more seriously than they have already been affected.

Now, sir, I conceive those words to be words to which I can give my hearty support. I have said on more than one occasion, when the right hon. gentleman was leader of the government, that those words express, I believe, the general view of the Canadian people.

Is there any member of this house who will stand up in his place and say: Notwithstanding that obvious fact we think we should throw down our bars against the United States and give them an opportunity to come in here and affect our industries in a manner even more seriously than they have already been affected.

That was in 1923, it indicated the view which I believe was a reflection of the sound opinion of the Canadian people. And the right hon. gentleman proceeded in these words:

But, sir, we had another aim, and I think it is becoming apparent to anyone who reads the American press of to-day. The Americans, as I have said, have put up a high tariff wall against us affecting no part of this country more than the part from which my hon. friends of the Progressive group come. They have that wall, but we want to show them that if they wish to sell they must also be ready to buy. There can be no jug-handled proposition in matters of trade. If you wish to sell you have got to be willing to buy. If you wish to buy you have to be willing to sell. I think our American friends will come to see that if, as a result of their—and it is their own business, of course—if as a result of their action Canada is going to seek and obtain new markets in which to buy and sell in Britain, new markets in France and new markets in Italy, is going to develop a reciprocal trade and effect agreements with Australia and possibly other countries as well, if they begin to see that in all these directions we are striking out into and creating new lines of commerce, and that we can manage very well as we are, I am inclined to think that that line of thought, quicker than anything else, will bring about the change which my hon. friends of the Progressive group opposite hope may come.

I should think that is not an unsound argument. In this house on a previous occasion I made that statement, I now repeat it. May I in that regard point out that at that same session, dealing with the tariff, Mr. Fielding in his budget proposed what was enacted in the Revised Statutes of Canada, vol. 2, chapter 44, which was originally found in the statutes of 1923, chapter 42:

11. If the President of the United States, under authority of the United States Tariff Act of 1922, determines to reduce the duties imposed by such act on the following articles, that is to say:—

Cattle; wheat; wheat flour; oats; barley; potatoes; onions; turnips; hay; fish as enumerated in paragraphs 717, 718, 719, and 720 of the said Tariff Act of 1922,

The governor in council may by order in council make such reductions of duties on such articles imported into Canada from the United States as may be deemed reasonable by way of compensation for such reductions on Canadian products imported into the United States.

That was in 1923. That was the offer of the Liberal government of that day—not of the Liberal government, the offer of the parliament of Canada of that day, under which, as I have indicated, the Prime Minister and the Minister of Finance made the observations to which I have alluded. In face of that, as has been pointed out by the hon. member for Antigonish-Guysborough (Mr. Duff), instead of taking advantage of the offer as made and of the suggestion contained in the speeches of the Prime Minister and the Minister of Finance, the tariff of the

United States was raised against Canada higher still.

Now we are confronted with new conditions. I suggest to the hon. gentleman that he is asking this government to take a step which he should not ask it to take at this moment. If he earnestly desires to accomplish the purpose he has in mind—and he does—then obviously nothing should be done that would in any sense have the effect of lessening the possibility of success in the adoption of the arguments to which I have just referred, which are not my own but which I adopt, in dealing with the United States. If the hon. gentleman is prepared, as he apparently is, to accept the statements made in the interview by the president-elect, that is that by reciprocal agreements he proposes, nay he expects, to advance the trading interests of the United States, obviously any action taken by this parliament at this moment along the line suggested by the hon. gentleman would be premature. If we have the opportunity indicated in the statement made in the Cosmopolitan magazine and the interview to which the hon. gentleman referred of reliance by the new administration upon reciprocal agreements, then with our standing proposals, which have been the policy of all governments in this country since 1879 until to-day, it occurs to me that the hon. gentleman will best serve the interests that he desires to promote, having made the speech he has, and after such debate as may be thought desirable, by withdrawing the motion, in order that it may be made apparent to all who run and read that this parliament is still of the same opinion that it was in 1879, and that successive administrations have but given effect to one general view; that is that there is an earnest desire on the part of the Canadian people, with their great natural resources, their fisheries and forests and wide plains, to take advantage of the markets afforded by the most populous community in the world living together under one form of government.

But there is another reason, and I put it to the house as being, I submit, a conclusive reason why at this time, after this discussion, which cannot but be helpful, we should not adopt any resolution that would involve the possibility of being taken as an indication of a division of opinion. The hon. member for Winnipeg North Centre (Mr. Woodsworth) the other day directed attention to the fact that a draft annotated agenda for the monetary and economic conference had been issued. I indicated that while that is a draft agenda only, it is now published, and any person who so desired might avail himself of the opportunity to read it. Among the items on that agenda for consideration you will perhaps recall that after some difficulty this was added:

5. Tariff and treaty policy.
   A. Tariff policy:
      (1) Cessation of tariff increases.
      (2) Reduction of tariffs.
      (3) Special aspects of the tariff problem.
      (4) Method of procedure.

I will not weary the house by reading from the annotations with respect to the item on the agenda, I will content myself by directing attention to the fact that the United States, with some reluctance, shall I say, has agreed to have placed on the agenda an item dealing with the question of tariffs.

Now every thoughtful Canadian realizes that our geographical position has imposed on us difficulties of the first order. The hon. member for Antigonish-Guysborough in very mild and moderate terms referred to the pre-confederation trading arrangements with the United States of America. Any man born as I was in the maritime provinces knows just what those trading agreements meant to the maritimes. There was then no Dominion of Canada, there was then no confederation. Reciprocal trading relations between the maritime provinces—not as a unit, of course, but each dealing with its own peculiar problems—and the United States of America gave a very substantial measure of prosperity to that part of this country. The termination of the treaty undoubtedly wrought great injury to the maritime provinces. But under the terms of the treaty it could be terminated, and the notice given was in accordance with the provisions of the treaty. It is undoubtedly true that where there was no treaty, as during the Wilson administration, the termination of that tariff arrangement by the legislative action of congress under the Republican administration did very great injury to the Dominion of Canada. There is no doubt that when channels of trade have been established, the destruction of such channels of trade, whether after six months' notice or without notice at all, works a very great injury on those who have created those channels. Our geographical position imposes upon this country extraordinary difficulties. No hon. member of this house who has had cause to think upon the problems of trade, as all have, fails to realize the truth of the statement by the hon. member for Antigonish-Guysborough (Mr. Duff) as to our natural market, if you can use that term when dealing with a foreign country, being the United States of America. I wonder how many members of

this house have taken the trouble to study the situation according to the map: Look at the New England states and the city of New York, and remember the fast services by water, with splendid ships, that now exist between Yarmouth, we will say, and the city of New York. Think of the opportunities of modern cold storage facilities to supply the markets of that great city, whose population is at least half that of this dominion, with fish products just as fresh as could possibly be secured in any part of the world.

On the other hand we have this argument, which has prevailed in the United States congress to this day: The Gloucester fishermen, and those of the New England towns, say that these hardy Newfoundlanders and maritimers create unfair competition because of the quality of their products, which need not be here described, and they say they find it necessary to impose a duty of 2 cents a pound upon the fish brought to United States ports, as against free entry for fish caught by citizens of the United States. In dealing with a commodity such as fish, where the price per pound is not large, of course the result is that a 2 cent rate becomes such an addition to the cost as to represent practically a prohibition against the importation of Canadian fish. That is one item; I might mention others, but I will not take time to do so. These possibilities exist by reason of our geographical position and the easy transportation by water between the maritimes and the great cities and teeming communities of the eastern United States.

We must concede the absolute right of the United States congress to determine what it conceives to be best in the interests of that country. That is clear. In my judgment all we can do is follow the course that has been followed by successive governments and indicate clearly our willingness to negotiate on terms that are fair and reasonable, to quote the words that have been used by both Liberal and Conservative prime ministers and ministers of finance. We can only be ready and willing to avail ourselves of any proposals that are fair and reasonable and are not of such a character as will involve injury to this country if they are speedily terminated. I regard that as a factor of the utmost importance, and I believe I always shall, because I never have seen any answer to that argument, whether it be the notice that terminated that reciprocity agreement in 1864 or 1865, or the more recent termination of the Wilson tariff statute.

I can only repeat, Mr. Speaker, that I congratulate the hon. member for Antigonish-Guysborough for affording the house an opportunity to discuss this matter. I have expressed my feeling in that regard, and have given two reasons for that feeling, the one being the historic reason, indicating the willingness of all parties and of this parliament, speaking as parliament, to make agreements that are fair and reasonable and for the good of the people as a whole, and the other argument being that we have been given to understand that within a few months an opportunity will be afforded not to one or two nations but to all the great nations of the world to realize the difficulties that have arisen because of too great reliance having been placed upon nationality as the determining factor in making trade agreements—

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: I am glad to hear hon. gentlemen opposite applaud that statement, but let them remember that no ten millions of people can afford to be the victims of the application of the converse of that argument. That is the other side of the question. Willing as we may be and always have been to consider any fair and reasonable proposals, as the former Prime Minister, now the leader of the opposition (Mr. Mackenzie King) said, no man will stand in this house to-day and express the view that we should place ourselves in such a position that as a result of the action we take, that which we have built up by such intense effort may be destroyed. Let me repeat that I cannot express the situation more clearly than it was expressed by the right hon. gentleman when he was leading the government, nor do I desire to do so. For that second reason, however, I do suggest that since the house, speaking for the whole of Canada, has expressed a unanimity of opinion as to the desirability of such an agreement being made if possible, the mover of the resolution, having served the excellent purpose that he had in mind, might further advance the object that is so dear to his heart by withdrawing the resolution after the discussion has served the purpose which he has in view.

Mr. A. E. MacLEAN (Prince): Mr. Speaker, in rising to second the resolution which has been so ably moved by the hon. member for Antigonish-Guysborough (Mr. Duff), I wish to congratulate the hon. gentleman on his splendid review of the different negotiations that have taken place in connection with reciprocity, starting in the early days of confederation and continuing to the present time. I think he presented his views in a very impartial and unbiased manner and endeavoured to show as clearly as possible the

benefits that would accrue to Canada if something of a reciprocal nature could be arranged between the two countries.

I am sorry the Prime Minister (Mr. Bennett) who has just spoken, did not see fit to tell the house that the government was ready to adopt the resolution, thus making it known to the United States that Canada was willing to trade on reasonable terms, under some carefully worded and carefully thought out trade agreement which would be beneficial to both countries. The right hon. gentleman advanced two reasons as to why this step should not be taken at the present time. The first reason was that in view of the fact that a new government has come into power in the United States it would be premature for Canada to make any advances along this line at the present time. With that argument I cannot agree; I think this is the opportune time for Canada to make a definite pronouncement in this connection. I believe we should let the United States understand that we are perfectly willing to enter into a reciprocal agreement with them if they are willing to meet us on fair and reasonable terms.

The other argument advanced by the Prime Minister was that in view of the fact that the World economic conference was to be held in the very near future, the matter of tariffs as between Canada and the United States and, for that matter, the world over, might better be left for discussion until that time. He intimated that pending that conference we should not make any pronouncement on the subject. I ask, however, why should not Canada take the lead in this regard? If we believe, as a great proportion of the Canadian people do believe, that there should be lower tariffs, why should not Canada endeavour to take the lead and if possible to make her position clearly felt at that world conference with respect to this important question of reducing tariffs? However, I think we were all glad to see that the Prime Minister was if anything much more reasonable, if I may be permitted to use that term, in his attitude towards tariffs to-day than he has been in the past. There was a time when he told us that he would make the whole world pay tribute to Canada.

Mr. BENNETT: Just when did he say that?

Mr. MacLEAN: I believe that has been quoted in the press very often.

Mr. BENNETT: No.

Mr. MacLEAN: Perhaps my right hon. friend will say he has been misquoted.

[Mr. MacLean.]

Mr. BENNETT: No, the statement is there. Don't misquote it, however, that is all.

Mr. MacLEAN: At any rate, the right hon. gentleman was of the opinion that foreign nations should pay tribute to the empire as a whole if they wanted to sell within its borders. Shut out the foreigner was the idea conveyed. Today however, possibly in view of the trade returns of our own country, the Prime Minister has learned the lesson that the policy of higher tariffs is not for the good of Canada nor for the good of any other country that adopts it.

I do not think anyone can take exception to the views I express when I state that the United States is the natural market for the maritime provinces, and notwithstanding the fact that high tariffs have been placed against a great many of our commodities, our farm products and the products of our fisheries are still entering that market over those barriers. I want to tell the Prime Minister and this house here and now that if it were not for the quantity of our products which we are still able to sell in the United States, I am at a loss to know what the farmers and the fishermen of the maritimes would do. We know that they are in a bad enough position at the present time, but if that market which they have in the United States were altogether closed to them they would be in a very much worse position than that in which they now find themselves.

Our friends have always told us, and no one was stronger in this than the Prime Minister at the last election, that they would build up the home market for all Canadian products. Well, this government has endeavoured to preserve the home market for the producers of Canada and to-day I ask the farmers of the country how they like that market. They have it now with a vengeance, but that market is not affording them very much relief. This idea of our friends, of building up the home market for Canadian products, so that the people of the maritime provinces can dispose of their products in central Canada, is an old delusion. It has been trotted out and has done duty at every election, just as it did in 1930, when we were told that the market for the producers of the maritimes would be found in central Canada.

Mr. HANSON (York-Sunbury): Where did you sell your potatoes this winter?—Right in Toronto.

Mr. MacLEAN: All that we sold in Toronto was harmless. The hon. gentleman can ask his own friends from the maritimes.

Mr. HANSON (York-Sunbury): I will ask someone who knows more about it than the hon. gentleman does.

Mr. MacLEAN: My hon. friend can make his speech when his time comes and I shall be glad to listen to him. Let me tell him however that if he will look up the statistics as given by the Bureau of Statistics he will find where our potatoes from the maritimes are sold year in and year out. What do we find when we come to central Canada with our products? We find that the farmers there are producing the very same commodities that we are offering for sale. They are producing butter and cheese, potatoes and vegetables, and they are supplying the cities of Toronto and Montreal, which are the large centres of consumption in this part of the country. The result is that when we look for a market for our products in these centres we are practically shut out.

The difficulty with our farmers at the present time is to find a market. They cannot find a market in those centres which are easily accessible. The United States is the place they can reach with the least difficulty, where there are water transportation and cheap freight rates to enable them to get the full benefit of the market and to obtain the maximum for their produce. What is the situation with respect to our shipments to Great Britain? As regards the province of Prince Edward Island, our cheese and butter and a great many of our other products have to be loaded on the trains, hauled a distance of seven or eight hundred miles to Montreal, and then loaded on the boat for Great Britain, being taken back past our own door, all of which costs the farmers and the producers of that province a tremendous amount of money. We are three or four thousand miles from the British market and only a few hundred miles from the American, and there are many products we have to sell that are really not required at all in the British market.

The hon. member for Antigonish-Guysborough (Mr. Duff) has dealt fully with the fisheries question, which I myself have brought up in this house on different occasions. Let me refer to it for a moment. Take the question of the shipment of live lobsters. Last season, had it not been for our live lobster trade there would have been really nothing in the fishing season for our fishermen. Our canned goods go largely to the markets of Great Britain, and the price was so low that the fishermen were receiving only 2, 3 and 4 cents per pound for the lobsters that were being packed and shipped to that market, whereas for their live lobsters going to the United States they were receiving, 15, 20 and often as high as 25 and 30 cents per pound. You can see therefore that if it were not for these shipments of live lobsters to the United States the fishermen of the maritime provinces could scarcely carry on.

As regards the question of lowering tariffs, as I said a moment ago, I am glad to see that the Prime Minister is apparently more favourable to this line of action than he has been in the past. It was my privilege to hear the Right Hon. Stanley Baldwin at the Imperial conference, and he made these remarks:

> No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere.

Mr. Baldwin was plainly of the opinion, even at that conference, where I am sorry to say tariffs were really raised rather than lowered, that the only solution for the problem confronting not only Canada but the world at large was the lowering of tariff barriers if at all possible. With 120,000,000 people right at our doors, is it not natural that we in the maritimes should want to trade with them? Why not try to do business along business lines? Why should this or any other government seek to act differently in the negotiating of trade treaties for the extending of trade than would a business man? Business men are after business, they try to find markets near at hand and all that this resolution asks for is that similar action be taken by this government.

There is no need to go over all the history from confederation to the present time as it deals with the reciprocity agreements which have been advanced. There is no reason why we should not attempt at the present time to negotiate an agreement better than any agreements negotiated in the past. It is within the possibilities of belief that the present government now coming into power in the United States will be more favourable to trade relations with Canada than have the governments in the past. I think it was during the election campaign that President-elect Roosevelt said: Why not let us sit around a table and work out these difficulties; let us start trading with our neighbours in Canada; let us endeavour to get trade moving and then if we can do that we can set our people to work. The members of the government do not seem to realize that the great

need of this country at the present time is trade. Before I conclude my remarks I intend to quote a few figures to show how the trade of this country, our export trade especially, has fallen off since this government came into power.

Mr. BENNETT: The hon. member should also give the figures for the rest of the world to show how much better off we are.

Mr. MacLEAN: The right hon. gentleman should not seek shelter and attempt to defend the policy of his own government by referring to world conditions. Canada's trade returns cut a sorry figure to-day.

Mr. BENNETT: They are better than those of other countries.

Mr. MacLEAN: I am sorry to say that the tide is still running out, we have not yet reached low ebb. The statement of the Department of National Revenue issued a few days ago shows that our trade returns are still falling off.

Those of us who remember back to 1910 and 1911 and the agreement brought down at that time wonder why our hon. friends who came into power through the defeat of the reciprocity agreement did not endeavour to meet the United States in connection with that matter, or through some modified agreement.

Mr. BENNETT: Oh, oh.

Mr. MacLEAN: The Prime Minister laughs.

Mr. BENNETT: Yes, because you had been at it for two years or more before we came into power.

Mr. MacLEAN: When that treaty was introduced into this house I understand that even our right hon. friend and many other hon. members of the house were so impressed with it that they were not sure whether or not it should be opposed.

Mr. BENNETT: Does the hon. member refer to me? I opposed it from the minute it was published, and I was not a member of the house at that time.

Mr. YOUNG: More shame.

Mr. STEWART (Edmonton): In the most vigorous language you could use.

Mr. BENNETT: You will find a letter in the Toronto News.

Mr. MacLEAN: I do not know whether or not my right hon. friend should be congratulated for that. We maritime people do not think so. When Sir Robert Borden made his first speech on the reciprocity agreement, Sir Wilfrid Laurier made the remark that he could not tell whether his right hon. friend was for or against the agreement. It was a very mild criticism, his chief argument being that it would injure our transportation systems. Later on the opposition to the agreement developed and our hon. friends became very seriously alarmed at the possibility of this commercial union becoming a political union, that we would become an annex to the United States. I do not see why our hon. friends at that time should have been so much alarmed. They seemed to have the same idea as they have at the present time. They do not grasp the fact that trade and trade alone is the life blood of any country. At that time they endeavoured to convince the people that if this reciprocity treaty went through the industrial life of this country would be ruined. Had they been wise they would have showed the people that the increase of trade which would have developed through the reciprocity agreement would have helped the prosperity of this country. The Prime Minister himself to-day stated that when we had the reciprocity agreement with the United States the maritime provinces were more prosperous than they have ever been since. I do not think for one moment that that agreement would have injured the industrial life of this country. However, resolutions were adopted in the provincial legislatures, in boards of trade and every place else opposing this reciprocity agreement. Speaking at a board of trade luncheon at Toronto on November 3, 1910, Sir George W. Ross told the audience that it was a step towards annexation and he asked the people of Canada to form themselves into organizations in an attempt to prevent any possible annexation to the United States.

Mr. BENNETT: And that gentleman was afterwards the leader of the Liberal party in the Senate.

Mr. MacLEAN: That does not make any difference.

Mr. BENNETT: I just mention it.

Mr. MacLEAN: An attempt was made at that time to hoodwink the people of Canada with regard to these negotiations. I think to-day the people of Canada are too intelligent to be fooled by anything of that kind. Sir George W. Ross told his audience that Canadian wheat would lose its identity in passing through the United States and Canada would lose her world markets for that commodity. He told them that the same thing would happen in connection with Canadian cheese. Those were the arguments put for-

ward at that time. Sir James Whitney, the Premier of Ontario moved a similar resolution against reciprocity in the Ontario legislature.

This agreement was defeated at the polls in 1911 and I think this constitutes the greatest crime ever committed against the agriculturists of the maritime provinces. Although that offer remained open on the statute books of the United States for ten or twelve years our good Conservative friends here never made any move to accept it even in a modified form that would have met their wishes, and I say emphatically that that is one thing which the people of the maritime provinces hold against the Conservative party. They are responsible for the defeat of the reciprocity agreement. It is due to the neglect of the Conservative party, after the offer had been held open for that period of time by the United States, that no attempt was made to put through even a modified agreement if the agreement as written by Mr. Fielding was not acceptable to the Conservative party. So it is no wonder that the United States then increased her tariffs. The Prime Minister would lead us to believe that the United States was as much to blame as Canada in the matter of increasing tariffs. The United States waited ten or twelve years, and then realizing that Canada apparently had no intention of accepting the treaty in any shape or form, they naturally said to themselves: All we can do is to put up a prohibitory tariff against Canada and shut her goods out of our market. This they proceeded to do, and I say without fear of contradiction that if there is a high tariff imposed by the United States against Canada to-day, a great deal of the blame for that lies at the doors of our friends opposite.

I should like to give a few figures of our exports from the maritimes to the United States and our imports from that country, which strikingly illustrate the nature of the trade we enjoy with the United States. I have picked out just two or three of the most outstanding items. In 1931 we imported from the United States 195,917 hundredweight of potatoes, and in the same year we shipped to the United States 4,594,121 bushels. Of poultry, we imported none from the United States, and we exported to that country 278,480 pounds. Of turnips we imported none from the United States, and we shipped to that country 1,838,829 bushels. Those figures are small compared with our exports in other years. On a great many occasions we have shipped many more millions of bushels to the United States than the figure I have just given. There is one thing I should like the house to realize, and that is that this 5,000,000 bushels of potatoes which we shipped to the United States from the maritimes had to climb over a tariff wall of 75 cents per 100 pounds, and still our friends on the other side of the house ask, what is the use of the American market for the people of the maritimes or for Canada? They ask us, why don't you sell in Toronto and Montreal? Let me tell them that it would take only the shipments from a very few farms in the maritime provinces, given a good year, to completely fill the markets of Toronto and Montreal, and consequently we have to find a larger market than Canada affords.

Notwithstanding that this government promised to do so much for the farmer—they were going to find markets for farm products and blast a way into the markets of the world that were reluctant to receive our products —the best this government can offer us now is to tell the farmers of this country that there is only one thing for them to do, and that is to cut down their production. I say that if ever condemnation could be laid at the door of any government, it should be laid at the door of this government for its suggestion now to the farmers of this country to cut down their production of agricultural and other products.

Our fish products have been referred to by the hon. member for Antigonish-Guysborough (Mr. Duff). We have a very large market for our fresh fish in the United States, in spite of the fact, as the Prime Minister has stated, that there is a duty of two cents a pound against our fish. The Prime Minister said that we could not get our fish into the United States market because it was a low-priced product, but nevertheless, in spite of the duty, we are making very large shipments of fresh fish of various kinds to the United States from the maritimes.

In connection with the potato situation, I may say that I have moved in this house for a return to be brought down giving full information regarding the potato embargo and the report which the British officials who were sent over here to investigate made some time ago. Up to the present time the papers have not been brought down. The Minister of Agriculture (Mr. Weir) did read a letter the other day informing this house that the British government has refused to lift its embargo. So, as far as blasting a way into that market is concerned, we have lost all hope, and so far as regards forcing our way into other reluctant markets, nothing has been accomplished.

I would also point out that the Cuban market has largely been lost to the people in the maritime provinces. The Cuban people told

us positively that unless we made some kind of a reciprocal arrangement whereby they could ship their sugar into Canada, they were not prepared to buy the products of this country. So what with the dumping duties which have been imposed by this government and the different arrangements which they have put into effect, Cuban sugar has been practically shut out of our market, and in consequence we have to a great extent lost the Cuban market for our potatoes.

Mr. STEVENS: If my hon. friend will permit a question, may I ask what action of his government has shut out Cuban sugar from this market?

Mr. MacLEAN: Since my hon. friend has raised that question, and it is a fair one—my hon. friend always wishes to be fair—this matter came up in the house last year, and the hon. member for Weyburn (Mr. Young) at page 908 of Hansard of November 7, 1932, asked regarding the importation of sugar from Cuba, and the Prime Minister in reply said:

> Mr. Bennett: Not the duty on sugar. It was to take care of the sugar that came from Cuba under circumstances which, as the hon. gentleman knows, were destroying not only the beet sugar industry here but the West Indian sugar industry as well. It was to preserve the market we had promised them under the treaty as well as the beet sugar industry here that the order in council was passed dealing with Cuban sugar.

Mr. STEVENS: The West Indian treaty passed by my friends opposite is the controlling factor in regard to Cuban sugar.

Mr. MacLEAN: I cannot agree with my hon. friend at all. Our friends opposite have been trying to put that over the Canadian people too long, but we are going to nip it in the bud right now.

Mr. STEVENS: We de not have to put it over because it happens to be statute law.

Mr. MacLEAN: The hon. member for Weyburn, following up his question, then went on to say:

> Mr. Young: The value for duty was fixed, and so the duty was raised. The minister told us that that was done to encourage the farmers to sow beets, but what did he do? He raised the duty on refined sugar and left the duty on raw sugar where it was.
>
> Mr. Bennett: That was covered by the treaty, and he could not change it. Surely the hon. gentleman knows that.
>
> Mr. Young: Then what benefit was the beet grower going to get out of it? He was going to sell raw sugar.
>
> Mr. Bennett: It kept Cuban sugar out.

Mr. MacLEAN: So we have the Prime Minister's own word for it that they shut out Cuban sugar.

Mr. STEVENS: Refined sugar.

[Mr. MacLean.]

Mr. MacLEAN: It makes no difference; the minister cannot hide behind the discrimination between refined and raw sugar. The Cuban people would be as happy to sell raw sugar as to sell refined. The minute Cuban sugar is shut out of our market, we are doing an injury to that country. To get back at us they have imposed a duty against our potatoes. The hon. member for Kings (Mr. Macdonald) was sent to Cuba and upon his return was asked question after question in this house. Finally we received a little information to the effect that they were perfectly willing to trade with Canada, provided Canada were content to trade with them and to take some of their sugar.

Mr. BENNETT: The hon. member must know that Cuba is now growing her own potatoes.

Mr. YOUNG: Where do they get their seed?

Mr. BENNETT: From us.

Mr. MacLEAN: I think the Prime Minister should revise his statistics. They are still importing large quantities of potatoes, but chiefly from the United States. However, even in the face of the increased duty against our potatoes, we still ship some to Cuba. I am trying to drive home the point that Cuba is still buying potatoes, but that the farmers of the maritimes are forced to take a loss because of the duty which has been imposed against them by Cuba as a result of the policy of this government. I hope nothing more will be said about the Cuban sugar situation because we have heard the Prime Minister's statement to the effect that by order in council he shut Cuban sugar out of Canada.

Mr. DUFF: By fixing prices for duty purposes.

Mr. MacLEAN: Yes. I am pleased to see the Minister of Trade and Commerce in his seat, because there are some figures concerning the trade of Canada which I should like to place on Hansard. In 1922 the export trade of Canada was valued at $753,927,009. As everyone knows that trade went up by leaps and bounds until we find that in the year 1929 it reached its highest point, namely, $1,388,896,073, or an increase of $634,969,064 in the period of a few years under Liberal rule.

What do we find to-day? Under the policy of the present government the export trade has continued to decrease until we find that for the last ten months it is valued at only $350,000,000. That is the lowest trade figure in the last twenty years of Canadian history

If we take the top figure of $3,000,000 per month for the next two months the total export trade of Canada for the year would stand at only $356,000,000. One would think with figures like these staring hon. members opposite in the face, they would see the error of their way and be willing to reverse their policy in an endeavour to restore to Canada its export trade. They should accept all suggestions from any corner of the house towards reciprocal or other trade arrangements which would benefit not only the trade of Canada and our financial standing but would benefit Canadian farmers. After the mad race for high tariffs which we have witnessed I believe the time has come when this house should consider very carefully every proposal put forward in an endeavour to reach a trade condition which at least to some extent would relieve the Canadian farmers and fishermen.

From an order for return passed by this house a few days ago we learn that 527,000 pounds of New Zealand butter have been admitted into Canada within the last twelve or thirteen months. I see the hon. member opposite in his seat who only a few days ago introduced a resolution asking that something be done by this government for the dairy farmers. I was not surprised when he introduced that resolution, because if ever there was a time when the dairy farmers of Canada required assistance, it is to-day. Notwithstanding the fact that hon. members opposite won the election because of their cry against the Liberal party's policy in connection with New Zealand butter, yet we find in the return to which I have referred that in the short period of only twelve or thirteen months, this large quantity of New Zealand butter has been admitted into Canada. I could give instance after instance of a similar nature, where our friends opposite have neglected to fulfil their promises.

Again I appeal to hon. members opposite not to try to side-track the resolution now before us, not to ask that it be withdrawn, but to give it careful consideration. I suggest that arising from it there should be a treaty which would not have for its purpose the wiping out or injuring of any industry, but rather the improvement of our agriculture and fishing industries. Undoubtedly there are certain commodities people in Canada require which the United States can supply. On the other hand we produce commodities that the United States could use and would be willing to buy from us. As a common sense business proposition, why in the world cannot the people of the United States and the people of Canada get together on some form of reciprocal agreement which would be beneficial to each country, and benefit particularly the farmers and fishermen of this country?

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I am sure that after the very dispassionate manner in which the mover of the resolution (Mr. Duff) discussed the subject, and after the very thorough and, I should add, illuminating manner in which the Prime Minister has dealt with the topic, the house will not expect me in any controversial spirit to engage with the hon. member (Mr. MacLean) who has just taken his seat. To him I would say only this, that for good and sufficient reasons the Canadian people in 1911 defeated the reciprocity pact; it was not a treaty at all.

Mr. MUNN: And they have been sorry ever since.

Mr. HANSON (York-Sunbury): They have never said so, and I shall have to have better evidence than that supplied by the hon. member for Vancouver North (Mr. Munn) before I change my opinion in the matter. Therefore I have no desire whatever to engage in any controversy as to the whys or wherefores surrounding the defeat of reciprocity in 1911. Rather should we, I believe, devote our attention to the consideration we should give to the resolution before us, directing our minds chiefly to the question as to whether or not at this time the subject matter should be before us at all.

I have no doubt in the world as to the sincerity of the hon. member who proposed the resolution. No doubt he has listened to the legend telling of the advantages of the reciprocity treaty of 1854. I was not born in those days, and I doubt if many hon. members in the house remember even the latter part of the period involved. I do however recall hearing my grandfather, who was in trade in a small way, telling me about the days of the reciprocity treaty of 1854. I believe it is the consensus of opinion that so far as the maritime provinces were concerned that convention or treaty, or whatever you may wish to call it, was of advantage to that section of Canada. But we have to remember what day and generation that was. I also recall having heard him tell of the distress that prevailed in the maritime provinces because of the abrogation of that treaty. To me as a young boy he gave a lesson as to what might happen if we entered into an arrangement whereby our trade should be turned into certain channels and then be arbitrarily cut

off, as happened in 1867. That is one of the reasons why I think the Canadian people in 1911 voted as they did. It may not have been a good reason, but I have no doubt it was a reason.

I desire to congratulate the hon. member for Antigonish-Guysborough, on the manner in which he treated the subject. There is no question where he stands. He believes it to be in the interests of the people of Nova Scotia, particularly the fishing interests, to have access to the New England market. I was born in sight of American territory, and I have lived all my life there. I represent a constituency which adjoins the American republic on an extensive border line, and I know that propinquity, contiguity, is a strong factor in creating a disposition to trade with our American neighbours, especially between the maritime provinces and New England. Personally I am perfectly willing to enter into an arrangement at any time with respect to that if it can be done on fair and reasonable terms, and terms that will be stable as to time. But I am not willing that we should enter into an arrangement which can be terminated at the whim of any American politician. I spent a week in the gallery of the United States Senate in April, 1929, when the Hawley-Smoot bill was being dealt with in its last stages, and I witnessed what they did and how they handled it. I have no desire to repeat the story here. But there is a large measure of sentiment in both countries ready to consider this question on its merits, and when the proper time arrives, I think we should consider it in that way.

The historical data that has been placed upon Hansard this afternoon by the Prime Minister (Mr. Bennett) should be of great value. I commend it particularly to the notice of the hon. member for Prince. If he will go back to his constituents and tell them that as long ago as 1879 the government of Sir John A. Macdonald, when Sir Leonard Tilly was finance minister, put an offer of reciprocity on the statute books of this country, he will be doing the fair thing, but knowing him as I do I doubt if he will do it. Let him tell them also of the statement made by Mr. Fielding in 1923. I was a member of the house at the time and recall the circumstances very well. As far as I am aware that proposal which is quite in line with the policy of the Conservative party previous to 1896, has never been repealed.

The hon. member for Antigonish-Guysborough has touched, very properly from his standpoint, on the question of the modus vivendi. I lived for twenty-one years in the constituency of Charlotte, New Brunswick, where they have the largest body of fishermen of any county in New Brunswick, though not as large as some in Nova Scotia. That county particularly, lying as it does along the shores of the bay of Fundy, and adjacent to the American border, is particularly interested in this question. Personally I never could understand why the modus vivendi with respect to the use of our ports was cut off, and I commend the action of the administration in renewing it in the last few days. But I do suggest, in the absence of further information, that the period suggested seems to be too short. I never could understand why it should be limited as to time or as to its operation. I agree entirely with the hon. member for Antigonish-Guysborough that in the absence of good arguments to the contrary our ports should be open to the Gloucester fishermen not only for shelter and wood and water and repairs but for the privilege of buying bait and supplies and transshipping fish in bond to the American republic. I understand that privilege has been enjoyed at Prince Rupert, British Columbia, for years and years, and why the same principle is not applicable on the Atlantic coast I do not understand. I think some explanation is due. I believe the government will be conferring a benefit upon the fishermen of the Atlantic provinces if they can see their way clear to renewing this modus vivendi for twelve months in the year and allowing the Gloucester fishermen to make those purchases in our ports. I would add, though, that the greatest enemy of the project is not the Canadian government but the supply men of Gloucester, who are absolutely opposed to the distribution of that money in Canada. It is just another illustration of their attitude towards this country. I am told that many of the men who are interested in the vessels as owners are also interested in the business of supplying these vessels with bait and provisions. The hon. member for Antigonish-Guysborough will probably know about that better than I.

Perhaps it would have been just as well if the motion had been withdrawn after the Prime Minister made his statement this afternoon, but as that has not been done I think we ought to go ahead and examine it at some little length, if only for educational purposes, for the benefit of those who, living in the interior of the country, are perhaps not as much interested in the matter as we who are contiguous to New England. It must, I think, be apparent to all that whenever a Repub-

lican administration has been in power in the United States, save and except the one of 1911, adverse tariffs have been imposed against us by our neighbours to the south, and whenever a Democratic administration has been in power, there has been, at all events to a degree, a reversal of that situation. Therefore I confess that I have some little hope, though no certainty, that the Democratic party, which is about to assume office in a very few days, will give some consideration to this problem of better trade relations with other countries, especially Canada. I suggest to my hon. friend from Antigonish-Guysborough that perhaps his resolution is a little premature. Having regard to the fact that the Democratic administration is not yet in office, and that the administration now going out is moribund and without power in the United States congress, it would have been better had he delayed bringing up the question.

The second reason why the motion is premature is the one alluded to by the Prime Minister; I refer to the World economic conference which we hope will be held very shortly, and at which this very question of tariffs is to be discussed. I think I have made it plain on more than one occasion during the years I have been honoured with a seat in this house that I am not a high tariff man.

Some hon. MEMBERS: Hear, hear. Come over here.

Mr. HANSON (York-Sunbury): I do not want to be provocative, but when I look over there I see every stripe of political colour with regard to the tariff. I see the hon. member for North Bruce (Mr. Malcolm), who has high protection on his furniture, and I see free traders scattered all over. I see the hon. member for Sherbrooke (Mr. Howard), with his protected industries; probably he wants even more protection. I understand that he is a director of a great new industry that was recently established in his province with a 35 per cent protection.

Mr. VALLANCE: And you see Tories from Saskatchewan sitting beside you.

Mr. HANSON (York-Sunbury): Yes, but there are Tories and Tories. There is the old crusted variety, like Sir Wilfrid Laurier, than whom there was no greater Tory in Canada in his day.

Hon. gentlemen have succeeded in diverting me for a moment from the line of thought I was pursuing. I think in due time we will all come to recognize—and I say this without political bias—that tariffs are best used as weapons in securing trade. That is the argument upon which, in my own constituency, I have based my defence of a tariff system in Canada. I do know, however, that the United States never had more respect for Canada than she had when we put up our tariffs against that country as a result of the election of 1930. Further, she never had more contempt for Canada than she had during the period from 1922 to 1930, when this country turned the other cheek after being slapped repeatedly. Then we had the spectacle of the Dunning budget, by which the Liberal party endeavoured to withdraw from an impossible position which they had assumed for eight years.

Mr. MALCOLM: Very good years for trade.

Mr. HANSON (York-Sunbury): Yes, good all over the world, and Canada got her share. But let me tell the ex-Minister of Trade and Commerce that during those eight years we were selling the raw material of this country, part of our heritage.

Mr. MALCOLM: I beg to differ with my hon. friend. The percentage of manufactured goods exported was higher during that period than it is to-day.

Mr. BENNETT: That included newsprint; that is why.

Mr. HANSON (York-Sunbury): If the hon. gentleman includes flour and that sort of thing among manufactured products probably he is correct. It all depends on how you classify those things. I do say, however, that in my own province, and I believe in Nova Scotia as well, the great bulk of the exports during those years was raw materials.

An hon. MEMBER: Would you call lumber raw material?

Mr. HANSON (York-Sunbury): Yes, I would say that lumber in a semi-manufactured state is raw material. Come down with me to the county of Charlotte and I will show you where white pine sawn only one way, that is with the wane on, is being carried over to Mattawamkeag, Maine, and sold to the Diamond Match Company. There it is manufactured into match blocks and shipped to various parts of the United States for manufacture into matches. Also I will tell the hon. gentleman that these match blocks, made out of Canadian white pine cut down

in the county of Charlotte, New Brunswick, are being manufactured into match blocks in Maine and shipped to England in the manufactured state. If that is not exporting our raw material I do not know what it is. The only reason they do not ship the tree to the plant in Maine is that they want the lumber to dry and be air seasoned before it is manufactured. That is what we did from 1922 to 1930; we exported raw material out of this country, and many a man went after it. We lost a million good Canadians during that period.

Mr. MALCOLM: Can my hon. friend tell me how many more Canadian citizens would be employed cutting this white pine into match blocks? It is a trivial operation.

Mr. HANSON (York-Sunbury): I can tell the hon. gentleman that if that plant were in Canada just that many more Canadians would be employed.

Mr. MALCOLM: Just how many? It is a trivial operation, as my hon. friend knows.

Mr. HANSON (York-Sunbury): I am free to confess that I do not know anything about it. I do not know how big the operation may be, but I see the plant as I go by Mattawamkeag, Maine, every month or every two weeks, and I know that the plant is in the United States and that it is manufacturing Canadian raw material.

Mr. MALCOLM: What about Canadian cotton mills manufacturing United States cotton?

Mr. HANSON (York-Sunbury): Everyone knows that raw cotton is not indigenous to this country. Rightly or wrongly, fifty years or more ago we built up a cotton industry in this country. I do not know, but it is just possible that if we had it to do all over again we would proceed differently. Rightly or wrongly we built up an automobile manufacturing business in this country, in which millions of dollars have been invested. Since that industry was established all governments have given it protection. Rightly or wrongly we built up other industries in this country, including the furniture industry, and we have given them protection. My hon. friend makes very good furniture; I bought some of it and was glad to have it. I paid for it, and I suppose according to the arguments of my hon. friend I paid him 35 per cent excess profits on it. I only hope the government of this country has received some of that back in income tax.

[Mr. R. B. Hanson.]

To be serious, and to return once more to the resolution moved by the hon. member for Antigonish-Gusborough—

Mr. MALCOLM: Would my hon. friend permit a question before he gets serious, apropos of what he says about the United States having built up an industry for making match blocks? Why should they not continue to get the pine to supply that industry?

Mr. HANSON (York-Sunbury): So far as I am concerned I would much rather see that industry in Canada. The hon. member for North Bruce may desire to see it in the United States; I guess that is the truth, and that is typical of the policies of the Liberal party for years past. They have sought to change Canada into a country of hewers of wood and drawers of water, and if hon. gentlemen opposite had their way there would not be a single industry left in this country. That is my answer to the hon. member for North Bruce; the record of his own party.

Having regard to history and to the present position of political parties in the United States; having regard to all the facts, I must say that any discussion of this question at the present time can be nothing else than academic. I would refer the hon. member for Antigonish-Guysborough to the remarks made by Mr. Fielding when he delivered that speech in 1923. I have not Hansard by me, but he said that having regard to the conditions that then obtained, having regard to the fact that they were putting through a tariff bill in the United States congress at that very time, it would not be opportune, it would not be right, it would not be in keeping with the dignity of Canada as an independent nation for us to go down there with our hat in our hand, and I hope that this country will never witness such a spectacle, much as I should like to see us extend our trade with our neighbours to the south.

For these reasons I do not think it is opportune for the hon. gentleman to press his motion at this time. At the same time no harm will have come from the discussion of the problem in a very moderate way, as I have attempted to discuss it. I repeat, I am not a high tariff man but I am willing to use tariffs for purposes of negotiation, as weapons to get fair trade, and I believe that I shall live to see the day, as many hon. gentlemen opposite will live to see it, when the United States of America will recognize the fact that Canada's protective tariff is as much a weapon of barter with us as it is an instrument to carry out the principle of protection itself.

Mr. JOHN VALLANCE (South Battleford): I listened with a good deal of interest to what I might call the Prime Minister's historical recitation this afternoon and I learned a good deal from him, but I am sorry to say that I can hardly agree with him in his conclusion when he suggests to the hon. member for Antigonish-Guysborough (Mr. Duff) that he withdraw this resolution after some debate on it.

Mr. BENNETT: I did not say that.

Mr. VALLANCE: For the very reasons he gave why it should be withdrawn, I think it should be fully discussed and that this house should register the fact that it is unanimously in support of such a resolution. Why should we not support it? What does the resolution propose? Let me quote:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

The hon. member for Antigonish-Guysborough dealt very ably with the question of reciprocity with the United States from the standpoint of the fishermen, and I wish to refer for a moment or two to the effect which such a resolution as this might have on agriculture, especially the cattle industry.

We have been and to-day are very much concerned about markets for all our surplus products, and we have been discussing the possibility of an arrangement with Russia whereby we might be able to dispose of 100,000 head of cattle. In discussing a resolution of this kind, it seems to me that if we went back over a period of years and realized the possibilities of that great market to the south of us, most of us would be able to convince ourselves of the advisability of adopting what is here proposed. The Russian deal was a barter of coal for cattle and the suggestion I am going to make to the government in support of this resolution is also coal for cattle; and I propose to give some figures showing to what extent the cattle industry had been developed, so far as our exports to the United States are concerned. In 1919 we exported to the United States over half a million head of cattle, and our subsequent exports, together with corresponding values, will appear from the following table:

| Twelve months ended September 30 | Number | Value |
|---|---|---|
| 1920 | 420,891 | $35,082,023 |
| 1921 | 247,106 | 15,277,621 |
| 1922 | 224,032 | 4,699,358 |
| 1923 | 161,891 | 4,475,504 |
| 1924 | 149,715 | 4,903,490 |
| 1925 | 123,438 | 3,324,087 |
| 1926 | 159,512 | 4,620,863 |
| 1927 | 194,039 | 6,699,406 |
| 1928 | 316,608 | 17,260,840 |
| 1929 | 240,050 | 13,234,671 |
| **Twelve months ended June 30** | | |
| 1930 | 190,515 | 9,934,282 |
| 1931 | 22,481 | 763,858 |
| 1932 | 18,651 | 649,890 |

I will not blame the government entirely for this condition—

Mr. STEWART (Lethbridge): I hope not.

Mr. VALLANCE: My hon. friend from Lethbridge says, "I hope not." Well, if we continue to ignore resolutions such as the one now under discussion, we shall find before long that our exports of cattle will not only have dwindled to 18,000 but have entirely disappeared. What we are trying to do is to bring about an export condition comparable to that of 1919, and coming from Lethbridge as the hon. member does, he will not, I am sure, vote against this resolution.

From October 3, 1913, to May 27, 1921, under the Underwood tariff, there were in force in the United States rates which permitted our cattle to get into that market free. The emergency tariff, from May 27, 1921, to September 21, 1922, imposed a duty of 30 per cent, and then the Fordney-McCumber tariff, from September 21, 1922, to June 18, 1930, fixed these rates: On less than 1,050 pounds 1½ cents per pound; 1,050 pounds and over, 2 cents per pound. Then came the Hawley-Smoot tariff, from June 18, 1930, to date, carrying these rates: Less than 700 pounds, 2½ cents per pound; 700 pounds and over, 3 cents per pound.

It seems to me that the time is ripe for this government and this house to give expression to the attitude of the Canadian people towards a reciprocal trade agreement with the United States.

Mr. BENNETT: That is on the statute books now.

Mr. VALLANCE: The Prime Minister says it is on the statute books now, so that

there can be no harm in allowing this resolution to be voted on. By so doing this house would be intimating to the people of the United States that Canada is still willing to enter into a reciprocal agreement with them.

It is only to put the position of the cattle industry before the house that I have spoken. I do not think there is any branch of agriculture to-day, badly off as wheat is in regard to markets, that needs a market more urgently than does the cattle industry. We are not exporting cattle. The cattle that should have found a fall market were turned back on the ranges and are to-day running the ranges in Saskatchewan and Alberta. If we adopt this resolution we shall show the United States our willingness to enter into a reciprocal arrangement with them. In a few days' time there will come into office there a government which I believe will be more sympathetic to a proposal of this sort than the government which is going out. I fully intend to support the resolution.

Mr. HARRY BUTCHER (Last Mountain): I shall support this resolution because it discloses evidence of a willingness on our part to remove the restrictions upon trade between the United States and ourselves without adding to the duties on goods imported from other countries. I am heartily in agreement with the speaker who has just resumed his seat (Mr. Vallance). I am convinced that such an arrangement would be of immense benefit to the wheat growers and cattle raisers of western Canada. Great benefits would accrue if this resolution should receive the support of this house and ultimately become law here and in the United States.

I am exceedingly gratified to see the reception given to the resolution by the Prime Minister (Mr. Bennett). I am sure that the sympathy he has shown towards it will meet with the approval of the whole country. I remember the experience of 1911 when the reciprocity pact then proposed was turned down by the people of Canada. I have always felt that that was a great mistake and that had the people approved it it would have been for the good of Canada and we would have received benefits for all time. I have always felt that that pact was not turned down because of its merits or demerits. Many arguments were advanced by its opponents, but those arguments were more of the nature of a red herring drawn across the trail, an attempt to obscure the fact that the arrangement would be beneficial to Canada as a whole. It was alleged that the existing trade connections would be disrupted, that the trade routes would be changed, that it would have the effect of disturbing the existing transportation systems which had been designed for east and west traffic, that great loss would result to the shareholders in our transportation systems, that our natural resources would be depleted to our harm and to the good of the United States. It was also urged that Canada was rich and did not need reciprocity, that the ties with the mother country would be weakened and ultimately there would be the annexation of Canada by the United States. I do not think there are many hon. members of this house who would fear any one of these supposed dangers to-day.

We have reached the time when we realize that we need more trade with every country willing to trade with us. The Prime Minister gave expression this afternoon to that view when he said: There is an earnest desire upon the part of the Canadian people to trade with the United States. As Canada turned down the proposed arrangement in 1911 it is perhaps our duty at this time to take the first step in reopening negotiations. I think it would be for the good of Canada that we should make known our wishes with regard to the matter, although it might be better for the government to wait until the new administration is in power in the United States before making formal approaches.

I hope that this resolution may be implemented because I believe it would greatly increase the volume of trade between Canada and the United States to the mutual advantage of both countries. I believe it would lead to a better understanding and a greater appreciation, each of the other, and would tend to eradicate the animosity which has been engendered by the high tariff walls of our respective countries. I believe this is a good time to consider the matter, because on both sides of that imaginary line which is called the boundary between the United States and Canada there is a growing opinion in favour of freer trade between the two countries as well as among other countries of the world. Many men and organizations have been urging that tariff walls should be lowered to permit our trading more freely with each other. I am most heartily in agreement with any suggestion of the kind.

The resolution reads:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade

arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

Surely no hon. member can object to that resolution. It speaks only of arrangements being made which shall be in the interests of both countries. Every hon. member who has the interests of Canada at heart desires that our trade shall increase and unemployment be lessened, and even more so if this can be done without any harm whatsoever to any industry in this country. For these reasons I heartily support the resolution.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, it is not my intention to speak for more than a few minutes on the motion proposed by the hon. member for Antigonish-Guysborough (Mr. Duff). As one of the older members of this house, needless to say I was greatly interested in the discussion which took place this afternoon. The discussion pursued lines which in the past have been rather controversial, and the unanimity with which the motion was received this afternoon was consequently somewhat of a surprise to me. I have lived a considerable time in Canada; I have a vivid recollection of the attitude of hon. gentlemen on both sides of the house with respect to public questions and reciprocity is one in which I have always been much interested. I know something of its history, and I followed this afternoon the rehearsal of its history by the mover of the resolution (Mr. Duff) and in the remarks made by the leader of the government (Mr. Bennett) with respect to the attitude which the respective political parties had taken on this very important question.

No one will deny for a moment that trade with the United States is the most important in which the Canadian people are engaged. One need only refer to the annual trade returns issued by government departments to realize that our trade with the United States has always been the most important. Indeed, our trade with the United States and with Great Britain represents about seventy-five per cent of our total trade, and it has been so for many years.

I shall not recapitulate what has been so well stated this afternoon, by both the mover of the resolution and the leader of the government. I wish rather to base my remarks on events from 1911 onwards. I happened to be in western Canada in 1911, and as one who believed in the utmost freedom of trade and in trade expansion, a cause which I have always espoused and supported, believing that the widest possible measure of trade would be the most beneficial to Canada. I naturally was strongly in favour of the reciprocity treaty. I have never subscribed to the narrower views of trade held by the Conservative party, who believed, and they are entitled to that belief, that the secondary industries were entitled to a certain amount of protection. I believed that it was impossible in any way to lend protection to the great natural industries of this country, our basic industries, lumbering, mining and fishing, upon which the whole success of the commercial fabric of Canada depends, and for that reason I have constantly been opposed to the granting of special privileges which the party opposite have always been willing to extend to secondary industries for their encouragement, and in order, to use their own language, to create a home market for the primary industries of this country. It will be many years before that happy condition of affairs comes about in Canada. I am not forgetting the terrible arraignment which hon. gentlemen now sitting on the treasury benches meted out to us who were then sitting on that side, in speeches much more vitriolic than that made by the right hon. gentleman this afternoon. Many a time it was hurled across the floor of this house that we were only too willing to turn the other cheek when our neighbours to the south saw fit to increase their tariffs against us. But the striking fact remains that throughout all these years in which the tariff controversy has raged, the United States, ever since we have kept trade statistics in this country, has been the best customer for Canadian products. That is the amazing thing, that the United States has remained our best customer, even in face of the exorbitant tariffs enforced by the Americans from time to time against us, tariff increases which made it easy to inflame public opinion in Canada against the United States. It was thought wise in this country to have a great national policy, and hon. gentlemen of the Conservative party talked about "red-blooded Canadianism" if you did

not support their policy. My hon. friends opposite got very considerable support in Canada in 1930 on the basis of those very same statements. It is easy to inflame public opinion, but the fact remains, which no one can deny, that through it all the Americans were the best customers that Canada possessed for her products.

My right hon. friend has said—I shall not have time to go fully into this—that it was because we were shipping them our raw products. Let me simply say in passing that the volume of our raw products going to the United States was never comparable to the volume of raw products coming from the United States to Canada. These are facts that we should remember. But the amazing thing to me is that after all the statements made by the great Conservative party now represented by gentlemen on the government benches, and after all the criticism that was offered of the attitude of the Liberal party with regard to our trade with the United States, after all the statements made by Mr. Fielding and the men in the government of that day who supported him, and after the statements made by my right hon. leader when he was at the head of the government—the amazing thing, I say, is that these statements are now accepted in toto by the leader of the Conservative party in this house, and, of course, he speaks for the whole party Why, if I were to refer to some of the statements made in earlier days by the right hon. leader of the government, who amazed me by his statement to the house to-day that the only objection he took in 1911 to reciprocity was that there was no time limit placed upon the agreement—

Mr. BENNETT: I did not say that, pardon me.

Mr. STEWART (Edmonton): I am sorry if I did not catch his remark correctly.

Mr. BENNETT: I gave two reasons why I opposed it.

Mr. STEWART (Edmonton): The right hon. gentleman gave many more in 1911.

Mr. BENNETT: I gave six, as a matter of fact.

Mr. STEWART (Edmonton): Yes, and twice six.

Mr. BENNETT: No, six; I remember them.

Mr. STEWART (Edmonton): My right hon. friend must remember that I was one of those who sat and listened to him. He made a speech in London on that occasion. He was brought to eastern Canada and all over Canada as the champion boy orator. He was opposing reciprocity.

Mr. BENNETT: That is not correct; I did not speak in London in 1911. The hon. gentleman is confusing 1905 with 1911.

Mr. STEWART (Edmonton): Did not my hon. friend tour Canada in 1911 in the interests of the Conservative party? He may not have spoken in London, but he spoke in various other places, often in the province of Alberta, I am bound to say, and he was successful. I am always willing to admit that my right hon. friend had some measure of success. He is a forceful speaker, and I hope that he will be just as forceful in his championship of the policy that he enunciated to-day. If he is I shall be with him, as I was on a former occasion. It was extremely pleasing to me this afternoon to be in the position where I could support the right hon. gentleman and his party in something which I think and have always thought is of vital importance to Canada.

May I say that I was one of those who supported, with all the power I possessed, the reciprocity offer of Mr. Fielding to the United States, believing that despite all the obstacles that had been put in the way of it, the United States was, and still continues to be, the best market for Canadian products. What would it mean if we could remove some of those obstacles? One hon. gentleman has spoken of fish, and another hon. gentleman has spoken of cattle. The removal of those obstacles would mean more than we can estimate. I have not time to go into details, but I know what it would mean to the cattle industry of western Canada. We are trying to sell our cattle to Russia because we have to sell them somewhere, and we cannot sell them in Canada. That is perhaps also one of the vital reasons for our interest in a departure from what is known as sound money, so that we may sell some of our cattle to Great Britain, as well as other agricultural products. But I emphasize once more that the country to the south, our closest market, is the market we ought to cultivate.

I am surprised for another reason. In the fall session of last year, and only in the fall session, an agreement with Great Britain was placed before parliament which members on this side of the house opposed to some extent. We did not oppose the principle contained in the agreement, because it was

directly in line with our policy, but we did oppose the five year guarantee to continue the duties imposed upon certain commodities to be exchanged between Great Britain and Canada. I wonder if hon. members have looked at the list of commodities mentioned in that agreement? When the Prime Minister was speaking this afternoon I went through it, and I could not help but wonder what would happen if to-morrow President-elect Roosevelt should take office and send an invitation to the Canadian government to consider a reciprocal trade agreement. What position would the Prime Minister take? What would he do, in the light of the agreement with Great Britain to which the government has committed Canada for a period of five years? What would he offer not only to the United States but to any other foreign country wishing to enter into an agreement with us? I have all kinds of sympathy for the Secretary of State (Mr. Cahan) who has spent a considerable time in Paris. I did not know how he could come back with any kind of agreement with France. Why? He would experience difficulty because of the cast iron provisions this government saw fit to enter into in the trade agreement with Great Britain. They did not need to do it, but they did it with their eyes open, and to-day we have the spectacle of the leader of the government pledging the Conservative party to a reciprocal agreement with the United States which, he says, has been their policy since 1854. But he forgets—we do not forget—that hon. members who preceded him and sat on that side of the house went about the length and breadth of the country, and with every ounce of energy they possessed condemned the 1911 agreement. This afternoon, however, the leader of the government said the agreement was not so bad after all.

Mr. BENNETT: He did not; he said exactly the opposite.

Mr. STEWART (Edmonton): They did not have a time limit, he says. The Prime Minister lays a great deal of emphasis on agreements which must have a certain length of time attached to them. If my right hon. friend will turn to his remarks of this afternoon, if he does not change them before revised Hansard is printed—

Mr. BENNETT: The hon. gentleman should withdraw that statement.

Mr. STEWART (Edmonton): I will withdraw it; I will withdraw anything that does not seem to do credit to my right hon. friend. But I want to say this to him—and I am perfectly right in saying it—that that was my understanding. I sat here and listened very carefully to the remarks of the right hon. gentleman this afternoon. If my right hon. friend says he did not make that statement, I withdraw my remark.

Mr. BENNETT: I have not seen the report of my speech, so whatever Hansard says is correct.

Mr. STEWART (Edmonton): If my right hon. friend says he did not say it, I withdraw.

Mr. BENNETT: What statement?

Mr. STEWART (Edmonton): That the only objection you took was the time limit.

Mr. BENNETT: Certainly I did not say that at all.

Mr. STEWART (Edmonton): Well, my hearing certainly must be bad.

Mr. BENNETT: It is not your hearing at all.

Mr. STEWART (Edmonton): But as far as the right hon. gentleman is concerned I find I am on the same platform—

Mr. BENNETT: No.

Mr. STEWART (Edmonton): Not on these—

Mr. BENNETT: Not on reciprocity, either.

Mr. STEWART (Edmonton): Yes, that is what I fear; that is what I am coming to.

Mr. McGIBBON: May I ask a question?

Mr. STEWART (Edmonton): Yes, all the questions you like.

Mr. McGIBBON: Did we not put into effect from 1917 to 1921 every article of the 1911 reciprocity agreement, and were they not annulled by the United States?

Mr. STEWART (Edmonton): I cannot agree with my hon. friend.

Mr. McGIBBON: Well that is a fact.

Mr. STEWART (Edmonton): I should like to know of one particular instance where the Conservative party made any offer to implement the agreement of 1911. If the hon. member is sincere in that suggestion, I should like to ask this question: Why did he oppose it in 1911, and why did his friends oppose it?

Mr. McGIBBON: Every one of them was put into effect from 1917 to 1921.

Mr. STEWART (Edmonton): Some comments are founded on facts, and others on jokes. All I have to say is that if the right hon. gentleman who leads the government is

sincere in the protestations he made to-day, if he really means now to subscribe to the resolution moved by Mr. Fielding in 1923, I am here to tell him there are many of his followers sitting in this chamber to-night who did not subscribe to it, and who have not changed their position from that time to this. If hon. gentlemen opposite have changed their views, then it is a complete right about face so far as the Conservative party is concerned.

All I have to say is that the more publicity that is given to the resolution before us, the better for Canada. If it will increase trade—because heaven knows there is nothing we need worse—certainly it would be of great benefit to the country. If ever I had any doubts about the position I have taken concerning trade matters, certainly they have been dispelled within the last year and a half or two years. Hon. gentlemen opposite have demonstrated beyond peradventure that by their trade policies they can ruin the country quicker than by any other course they could pursue. If hon. members do not believe what I say, I ask them to look at the trade returns. Where are we going? Where are we to get the revenue with which to pay our indebtedness? Where are we to get the money to meet the ordinary running expenses of the country? I have much sympathy for my good friend the Minister of Finance (Mr. Rhodes). No man in the government is entitled to more sympathy than he, because one of these days he will have to make a rather sorry statement to the House of Commons concerning the revenue of the country.

The quicker we revive trade and the quicker this suicidal policy of the Conservative party is changed to one of reciprocity with people who are willing to trade with us, the better it will be for Canada. I could not sit still in my seat and observe without comment the sudden change of front shown by the government. We were to have an announcement which, we understood, would startle us, but nothing could startle me more than the statement I heard to-day; nothing could appeal to me more. I expected an entirely different statement.

If we approach the United States showing that we are unwilling, as the party opposite has demonstrated in the past, to give any concessions that will injure Canadian industry—and I mean secondary industries, because the Lord knows we cannot injure the primary industries—if we go with the avowed intention of having extreme protection, I have very little faith in the result of any trade arrangements we may try to make with the United States. In my view any trade agreement on that basis with Great Britain can be of very little benefit, and to prove my contention I would ask any hon. member to look at the current trade statistics. The figures will indicate that the improvement in trade with Great Britain is so small it is hardly noticeable. If the government approached the United States with a fixed policy of that kind in mind, the possibilities of reciprocity would be very small indeed. But, I believe in spite of everything that can be done, in spite of the high tariff forces in the United States, in spite of the high tariff forces in Canada, our trade with the United States will increase. Perhaps hon. gentlemen opposite, after three years of trial of a high tariff policy, will be willing to listen to reason. Perhaps they will be willing to offer something worth while towards the improvement of trade conditions.

An hon. MEMBER: What a hope!

Mr. STEWART (Edmonton): Perhaps it is a faint hope; but after the speech of this afternoon I am prepared to hope for anything. I believe a better day has dawned. When we have a frank admission, as we had this afternoon, a right about face, a change of heart, when the worst that could be said was that we exported some few logs for the making of matches—I never heard of manufactured matches getting into Canada, but perhaps they will under a reciprocal agreement—then I am convinced that the dawn of a better day is here.

I support this resolution most heartily. I hope it will carry by a large majority, so that to-morrow it will be known in Washington that the Canadian parliament is favourable to a reciprocal agreement with the United States. My hon. friend stated this afternoon that until the Dunning budget came down in 1930 there was no change. My view is that we should trade with any who will trade with us on a fair and equitable basis, and I believe that is the policy that will prevail. On the other hand we will never build up trade with other nations if we put up impossible barriers, which is exactly what hon. gentlemen on the opposite side have been doing. But to-day they say they are going to right about face; in that respect I for one will lend them all the support I can. But knowing them as I have in the past, having listened to their declarations on the public platform, I am going to take their present statements with some grains of salt. I want them to show me that they mean what they say. For heaven's sake do not try any more agreements such as have just been enacted with the mother coun-

try, because it is no good. And do not tie yourselves up for five years so that you cannot trade with anyone else without referring the matter to the country with which you have the cast iron agreement.

An hon. MEMBER: What about your twelve years?

Mr. STEWART (Edmonton): What about a lot of things? All I can say is that I hope and trust that you really mean what you said this afternoon, because if so there is some hope for Canadian trade.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, it would appear to me as an ordinary onlooker that there must be considerable disappointment in the ranks of the hon. gentleman's friends. It is quite evident that all the speeches that we have been listening to this afternoon from that side were prepared with the expectation that the government was going to oppose the resolution of my hon. friend from Antigonish-Guysborough (Mr. Duff). They show a persistent attempt to create the impression in the country that this government is opposed to reciprocal relations with the United States. Now I come from the province of Nova Scotia, the proudest province of the dominion, where there is a tradition in favour of reciprocity with the United States. It was said by Joseph Howe many years ago that if you were to throw a board on the waters of Nova Scotia it would float to Boston. In those early days before confederation there was a great trade between the maritime provinces, particularly Nova Scotia and Boston. Fishing vessels from Boston, Provincetown and the other New England ports always came to Nova Scotia—including the little village in which I was born—and fitted out, shipped men and materials, and came back in the fall and discharged their crews. Many of the crews went to Boston during the winter months, and shortly afterwards their families followed them, with the result that to-day in the New England states there are more people of Nova Scotia parentage than there are in the province of Nova Scotia itself.

From the discussion this afternoon it is quite clear that both parties are in favour of this resolution. Let me say right here that I am not in favour of it in the terms in which it is expressed. There is no doubt that many years ago Nova Scotia enjoyed great prosperity owing to the freedom of trade that existed between it and the New England states. But things are different to-day. We sometimes make the mistake of thinking that if we could return to the days of our fathers and grandfathers we would enjoy the same prosperity that they did. Such is not the case. I doubt whether the fishermen of Gloucester and Provincetown and Boston are much more prosperous to-day than our own fishermen are. It must be remembered that the fish business has gone down all over the world. It has certainly gone down in the maritime provinces. During the past few years we have tried to build up a fresh fish business with upper Canada. For this purpose trawlers have been licensed; out on the banks they keep in daily touch by wireless with the merchants, thus ensuring a continuous supply of fresh fish from Nova Scotia to the Toronto and Montreal markets. It is urged that they have been the death of the shore fisherman—with that I will deal later—but just let me ask you what would happen to that fresh fish business if the bars were let down and fresh fish landed from vessels sailing out of Gloucester and Boston appeared in the Montreal and Toronto markets. It is true that the shore fishermen throughout the lower provinces have suffered; I do not think that anywhere in the country there is greater destitution and suffering than among the fishermen of the maritime provinces. I am in agreement with my hon. friend from Antigonish-Guysborough (Mr. Duff) on one point, and that is the great desirability of the modus vivendi. I believe that American fishing vessels should be permitted to enter maritime province ports to tranship their fish, purchase their supplies, make all necessary repairs and ship men if necessary. That would give our shore fishermen an opportunity to make a living which they do not now enjoy. I could tell you stories of shore fishermen who pursue that hardy calling, going out to sea in the early morning, returning with their boatload of fish, and being obliged either to sell them for one cent apiece or to throw them away. With proper cold storage facilities the fishermen could put those fish away for bait and so get a reasonable living. In this connection I might mention that we have storage facilities at North Sydney and Sydney Harbour, but these have been practically destroyed so that they are of absolutely no use to the fishermen. With such facilities as these afforded, however, the town of North Sydney would prosper.

There is one point to which I should direct the attention of my hon. friend. Among other things his resolution includes the natural products of Canada, the products of the sea, the farm, the forests and the mines. I wonder how long the coal mines of Nova Scotia would

last if we had reciprocity with regard to coal. Their destruction would be very sudden and very complete. I venture to believe that this great industry in Nova Scotia, upon which one-fifth of our population depends for a livelihood, would disappear in a few years. Therefore I am obliged to take issue with my hon. friend on that point, though as far as fish go I am at one with him.

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, I deem it my duty to express the views of those who I have the honour of representing in the house—the farmers of Laprairie-Napierville—on this all important question introduced by the resolution of the hon. member for Antigonish-Guysborough (Mr. Duff). The resolution reads as follows:

That, in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

To summarize, this motion requests the renewal of the treaty negotiated by the Liberal party, in 1911, in order to promote wider trade relations with our neighbours to the south. I need not mention that the Quebec farmers, especially those located on the south shore of the St. Lawrence river, close to the United States frontier are, and have always been, in favour of a reciprocal trade treaty. Indeed the people of Laprairie-Napierville and those of the counties bordering on the United States, would greatly benefit from such a treaty. Producers of milk, butter and cream, who are numerous in these counties, under a fair tariff, compared with the one our friends opposite recently enacted, sold at a profit their milk products to the United States. If such an agreement could be concluded between the two countries, there is no doubt that our farmers would find, in the United States, a market which would improve their condition, especially in these times of depression. The same may be said about the farmers who specialize in wheat and hay. A number of western members and all those interested in the live stock trade have sufficiently threshed out this question, I need not, therefore further insist.

[Mr. F. MacDonald.]

The Right Hon. Prime Minister (Mr. Bennett) stated, this afternoon, that one of the main reasons why he opposed reciprocity, in 1911, was that the treaty could be terminated without notification. I do not see how the right hon. Prime Minister could oppose this resolution for such a trivial reason, because now that he is in power he can amend, as he pleases, this resolution and add a clause stipulating that in case one of the contracting parties wished to end this treaty, a notice should be given.

The right hon. Prime Minister further stated that our two great political parties have had this question before them ever since 1879, and have always favoured a reciprocal treaty with our neighbours to the south; he also added that, as the two parties agreed on this resolution, the mover should, in the interest of the country withdraw his motion, and not insist that a vote be taken. I find it hard to understand why the members opposite would oppose this resolution simply because it might bring on a vote which would divide the house into two adverse camps. I have some notions of logic, yet I cannot quite grasp how the people's representatives, in the house, can possibly be in favour of a measure and when a vote is taken refuse to support it.

May I request the right hon. Prime Minister to explain how it is possible for him to be both for and against this resolution.

He will permit me, however, to remind him of the speeches he made, when he first came out as a candidate in the Dominion election of 1911. We have but to refer to the press despatches of that date to ascertain how strenuously the Calgary candidate opposed the reciprocity treaty with the United States. One of the main arguments invoked to justify his opposition was, that if this measure carried, the empire would be destroyed, the spirit of loyalty existing in Canada would be crushed; he did not wish to trade with the United States, because this would be an act of disloyalty. And how many other arguments did he invoke! After being elected, he had the honour of moving the address in reply to the speech from the throne, and the following are his words on the reciprocal trade treaty:

Mr. Speaker, in that portion of this great Dominion in which I am privileged to reside, a very substantial portion of our population has come from the great republic to the south, and one of the strongest reasons I had for opposing the reciprocity agreement was that it threw into the melting pot for solution a question that involved a problem in patriotism. When we remember that so large a portion of our population came from that great republic, where they

inherited traditions that were at least not favourable to monarchial institutions; when they learned through the medium of the American press, that, however much their former political parties differed with each other, they showed unanimity in favour of these proposals, and when they found American public men preaching a doctrine that indicated that the consequences of this agreement would be the absorption of western Canada at least by the great republic, and at all events rendering impossible for all time the commercial and organic union of those overseas dominions and the motherland which comprise the British Empire, it was little wonder that these people allied themselves with those who were in favour of the reciprocity pact.

Having read the speeches delivered by the then representative for Calgary—now the Prime Minister of Canada—on the hustings and in the house, we are rather agreeably surprised to note what are his views on this question to-day. The right hon. Prime Minister has greatly changed his views since those days when Laurier compared his speeches to the turbulent waters of the Bow river. Evidently he shows that he is intelligent, which no one has ever doubted. I am a Liberal, however, I am not so narrowminded as to think that nothing good can come from outside the Liberal ranks. No one in this house will recognize more readily than I do that the Prime Minister is steering in the direction of liberalism. Although I do not expect that he will join our ranks, I can assert that he is not one of those mentioned by Lady Asquith who stated that only the gods and fools do not alter their views. I can assert here, and pay him the compliment, that he is neither in one nor the other of these classes, notwithstanding the fact that a large number of his one-sided followers have so exalted him that they sometimes have looked upon him as a god. The right hon. Prime Minister has this afternoon brought them to earth by informing them that he has altered his views since 1911, that he is neither a god nor a fool.

As to us, sir, we have no need of changing our views on the subject, and no one will ever blame us for it, especially when we witness members opposite view this question of trade reciprocity in the same light as we do. I am doubly in favour of this resolution because I note by the change taking place opposite towards our own views, that we are still more assured of being in the right path.

I therefore trust that this resolution will receive the unanimous support of the house. Let hon. gentlemen opposite not fall into the error of resorting to such tactics as contending that they approve of the resolution, but not in its present form. Let them not blunder by opposing this resolution; let them prove their patriotism by voting unanimously in favour of this resolution, so that the government in power across the border be made aware, once for all, that the reciprocal trade treaty is not a dead letter in our statutes, but is always and more than ever a living issue, and, that the moment the United States will show their willingness to act, they will find on this side of the frontier people who will welcome their proposals and say: We are ready to negotiate a reciprocal treaty with you on products of the land and sea, and also those that can be exchanged to the mutual benefit of the two parties interested.

I shall close my remarks, sir, by stating that everything prompts me to hope that the right hon. Prime Minister, as well as his followers, will continue to show that they are intelligent, farsighted and wise by unanimously voting for this resolution.

Mr. MAURICE BRASSET (Gaspé) (Translation): May I, sir, add a few words in support of the resolution of my hon. friend from Antigonish-Guysborough (Mr. Duff). I must congratulate him on the splendid speech he made on the subject of the maritime fisheries.

I closely followed the reply of the right hon. Prime Minister (Mr. Bennett). Briefly, it means that we cannot have a reciprocal treaty with the United States because, first, our neighbours to the south would have to lower their tariff, and our government is unable to force them to take such a step. My reply to the right hon. Prime Minister is that it was himself who, last summer, was responsible for the agreements concluded with the British commonwealth. Since he displayed his great ability in bringing about a trade treaty with the British commonwealth, he might do the same to obtain from the United States government what the Liberal party has often attempted: to negotiate a reciprocal treaty.

In 1911, the Liberal party did negotiate such a treaty with the United States, but unfortunately, this famous treaty was rejected by the people. Had the Liberal party been maintained in power, in 1911, I am convinced that Canada would have been better served. Moreover, the great majority of the people admit, today, that had the treaty been ratified Canada would have made great strides along the path of prosperity.

Our country had a few years of such prosperity from 1921 to 1929, however, after the Tories returned to power business declined and prosperity gave way to depression.

The hon. member for Antigonish-Guysborough did not wish to introduce politics into this question, this afternoon. He simply requested the government to use its good offices in order to negotiate a reciprocal treaty, especially in connection with the fisheries of Canada. I shall support this motion and I trust the right hon. Prime Minister will enter into negotiations with the United States in order to obtain reciprocal arrangements in tariff matters. The United States will certainly not lower their duty on fish unless we are ready to grant them reciprocal advantages. May I point out to the house that our fish industry has been in a deplorable state for a number of years. Not only are we unable to export our fish, but when we wish to import the necessary fishing equipment, such as nets, marine motors, etc., we have to contend with too high a tariff. If we are willing to lower our tariff on marine motors and all fishing equipment entering Canada from the United States, I think the latter will grant us, in return, concessions on our fish.

The only way to bring back prosperity is to conclude a trade treaty with the United States. As long as the Conservative government maintains its 1930 tariff, prosperity will not return to us. I therefore beseech the right hon. Prime Minister not to reject the resolution introduced by the hon. member for Antigonish-Guysborough (Mr. Duff), but to give it his serious consideration, and therefore, I trust the house will unanimously vote in favour of this resolution.

Mr. EUSEBE ROBERGE (Megantic) (Translation): Mr. Speaker, I am pleased to state that I entirely approve of the resolution introduced by the hon. member for Antigonish-Guysborough (Mr. Duff), requesting the government to negotiate a new trade treaty with the United States so as to permit on the one hand, our products of the farm, mines, forests and sea to enter their country free of duty, and, on the other hand, admit into this country, also free of duty, the products we require. The government must act to relieve the present situation of the farming classes and thus avoid a general bankruptcy.

Because of the present crisis, we should set aside party differences and endeavour to save the situation. I therefore think that the best way to do so, would be to negotiate a reciprocal trade treaty with the United States. The people of Canada would be very grateful to the government if it brought back to the farming classes the prosperity they enjoyed under the liberal regime. The slightest improvement in our trade relations with our neighbours would mean more to us than all the agreements signed at the Imperial Economic Conference of 1932.

I believe that some of the members of this administration will be forced, by circumstances, to cast their vote in favour of this motion.

I shall quote what the hon. member for Qu'Appelle (Mr. Perley) stated in the house, at page 552 of Hansard, on October 25, 1932:

> I would also draw the attention of the leader of the opposition to this fact, that the strongest argument brought against the reciprocity pact of 1911 was that it was to continue for only one year. That is what defeated that pact, and we know what happened to the Liberal party on that occasion.

The hon. gentleman stated that if, in 1911, reciprocity was defeated, it was because we requested a treaty for one year only. Now that the Conservatives are in power, they can negotiate such a treaty for a much longer period, and, with the President elect of the United States, they will have a better chance of negotiating a treaty than with the present incumbent who is highly protectionist, and, owing to this fact the United States is passing through a crisis of greater severity than that of any crisis experienced for many years past, and which was the starting point of the present world wide crisis.

When the hon. member for Brome-Missisquoi introduced his resolution, on February 8, 1933, requesting that the committee on agriculture be divided into two sections—a motion which I endorsed at Plessisville—he stated, page 1919 of Hansard:

> I would like to remind the house that all kinds of farm produce, with the exception of beef, are selling for higher prices in Canada to-day than anywhere else in the world.

The hon. member forgot to mention maple sugar, which is also a product of the farm, and, as I have the privilege of having in my county the largest maple sugar factory in Canada, I am glad to be able to give the house some statistics as to the profits our farmers would have made, and would still be making, if our maple sugar entered into the United States free of duty. The factory is known under the name of "Producteurs de Sucre d'érable de Quebec." This cooperative

company sent me the following figures of their maple sugar exports to the United States:

| | Pounds | Value |
|---|---|---|
| 1929.. .. .. .. .. | 13,036,058 | $2,473,620 |
| 1930.. .. .. .. .. | 5,959,638 | 1,229,747 |
| 1931.. .. .. .. .. | 2,572,578 | 483,658 |
| 1932.. .. .. .. .. | 3,363,180 | 600,067 |

In 1929, the duty on maple sugar entering the United States was 2 cents per pound, in 1930, 4 cents per pound, in 1931 and 1932, 8 cents per pound. The only market we have for our maple sugar is the United States. You will readily see, sir, what a great advantage it would be for the farming classes, who are to-day in very poor circumstances, if they could obtain some concession on the duty on maple sugar.

The United States, sir, is the only natural market for the products of Quebec, and prosperity will not return unless we can conclude a reciprocal treaty with our neighbours to the south.

As stated, there lies the only market for our maple sugar products and we are obliged to pay a duty of 8 cents per pound while the price obtained here by the farmer varies between 3½ to 4 cents per lb. The same may be said of numerous other farm products, such as butter, milk and especially young live stock. Not being able to ship the latter to Great Britain, our farmers practically give them away. The price of calves, sheep, etc., has fallen by more than 50 per cent.

By negotiating a trade treaty with the United States, the farming classes would immediately realize profits on their products. Such a treaty is the only way opened to the government in order to end the depression existing on the farm.

Mr. F. W. GERSHAW (Medicine Hat): Mr. Speaker, I should like to say a few words in connection with this resolution. As I understand it, the resolution suggests the reopening of negotiations with the United States to arrange if possible a reciprocal pact for the exchange of the natural products of this country for certain products of the United States. It is an effort to procure wider markets, and our trade returns clearly show that wider markets are badly needed. Canadian imports in 1929 were valued at $1,265,000,000; in 1932 they had dwindled to $578,000,000. Taking the value in 1926 as the basis, the volume would be represented by $1,403,000,000 and $808,000,000 respectively. In 1929 the exports of Canada were valued at $1,363,000,000 and in 1932 they had dwindled to $576,000,000. We find that the volume of exports of agricultural products has diminished from 129 to 72.4. Surely it is evident that wider markets are needed for our Canadian products.

A few weeks ago the news went abroad that there was a possibility of selling some of our Canadian cattle in Russia. That news reached the ears of men in this country who are vitally interested in the cattle business, and many of us who represent western constituencies have received numerous letters from men who are anxious to sell their cattle. Of course, it was realized that this government could not guarantee profits or accept Russian bonds, but it was felt that there was a market for cattle in Russia and they hoped that some way would be found by which some of our surplus stock could reach that market. Nothing more clearly indicates the desire of the primary producers of Canada to find a market; nothing more clearly indicates the need of such a market, and these people are looking to the members of this parliament for some solution of their problem.

Someone has said that we should not go to Mr. Roosevelt with our hat in our hand to beg for an agreement. I think the Canadian people will agree with that, but they realize also that a salesman does not wait in his office for orders to come in. Surely Canadians are not bankrupt as far as salesmanship is concerned. Surely, when they have a great surplus to dispose of, they will not hesitate to try to find a market for it. This resolution deals particularly with primary products, and we all know that the prosperity of Canada as a whole depends upon the prosperity of those in the primary industries. We know that the curve marking the general business follows the curve which indicates the activity in the agricultural industry. That being so, it is of the greatest importance to the people of Canada as a whole that they should have a prosperous agricultural industry. It is true that in making agreements we cannot expect to get all the advantages. Some of our secondary industries may have to be sacrificed. But if that is true, is it not also true that those industries are failing in any case? Is it not so that as the days go by and we make little progress in solving our problems, industry after industry in Canada is failing to balance its budget, as it were—failing even to earn the interest on its bonds? So that the larger considerations must first receive the attention of this house.

The district whence I come was once one of the great ranching districts of Canada. Later the ranches were broken up as settlers came in, and to-day those great areas are

vacant. If there was a market for our cattle those areas would be used for ranching purposes, but the few ranchers who have thus far survived are finding it extremely difficult to carry on, and if present conditions continue they, too, will have to give up. As an illustration I might point out that one junction which the Prime Minister (Mr. Bennett) knows well, the junction of Dunmore, once shipped thousands and thousands of cattle, and to-day the Canadian Pacific Railway Company is asking permission to have that station closed. Nothing more clearly indicates the fate which has befallen the ranching industry in that country. Their great market was in the United States, but changes in the American tariffs have shut off that great market.

I wish to put on record a few figures which will indicate what the various American tariffs have done to this great Canadian industry. From October 3, 1913, to May 27, 1921, the United States under the Underwood tariff allowed our cattle to enter that country free, and what do we find? We find that in the year 1920, 420,891 cattle entered the United States. Then on May 27, 1921, the United States imposed an emergency tariff of thirty per cent against our cattle, which tariff remained in force until September 21, 1922. At once we see that, instead of shipping some 400,000 cattle, to the United States our exports dropped to 224,000. Then on September 21, 1922, the Fordney-McCumber tariff came into force and at once there was a further drop in our exports, so that in 1925 we shipped only 123,438 head to the United States. The last blow came on June 18, 1930, when the Hawley-Smoot tariff came into operation. That tariff levies a duty on cattle, of less than 700 pounds, of 2½ cents a pound, and of 3 cents a pound on cattle over 700 pounds. In the year ending June 30, 1932, our exports of cattle to the United States dropped to 18,651. Nothing more clearly illustrates the advantage of that great market than the fact that we have suffered so much when it has been closed to us.

Of course I realize that it is not within the power of the members of this house to open that American market. On the other hand the responsibility of governments for the welfare of its citizens has been fully established, and an effort might and should be made to get us into that market at least under more favourable terms than we can enter it at present. Years have passed since any active effort has been made in that direction, but I believe that, especially at this time, if a real effort was made in a businesslike way it would bring some measure of hope and courage to men who are at the present time most discouraged.



Mr. ALPHONSE FOURNIER (Hull) (Translation): Mr. Speaker, I closely followed the remarks made this afternoon by the right hon. Prime Minister, on the resolution before the house.

To my mind this resolution purports to lay down the principle that a reciprocal trade treaty between the United States and Canada is desirable. We have witnessed a most amazing change in the views of the leader of the government. However, in order to explain his present attitude, he referred to Canadian history as far back as 1865, the year our reciprocal treaty with the United States was abrogated. After this event the Conservative party which held power in 1879, adopted, it seems, a measure endorsing the policy of reciprocity with the United States. This measure purported to allow free entry into Canada of a large number of products from the United States the moment the latter country reciprocated those advantages. Again this policy was endorsed by the Conservative party in 1888. In 1890 and 1894, however, it was slightly modified, that is, the reciprocity policy was extended to all other countries which offered us the same privileges.

This is somewhat the stand taken by the Conservative party, judging from the speech of the right hon. Prime Minister, as regards our trade relations with the United States. He also referred to the attitude of the Liberal party from 1897 to 1911, on trade matters. There were but slight changes, it seems, in the acts of 1897, 1904, 1910 and even 1911, and, according to the Prime Minister we are led to believe the two parties, in connection with external trade, advocated the same policy.

May I, sir, endeavour to prove that with the same policies we do not beget the same results. In 1911, the Liberal party, after recognizing the principle of reciprocity, adopted a measure allowing the free entry into Canada of numerous products, while the United States adopted a similar measure. Then the election of 1911 took place. Although advocating the same policy, as it seems, the Conservative party endeavoured to defeat this reciprocal trade treaty, or rather defeat the two measures, and their battle horse was: "No truck nor trade with the Yankees." In 1911, the Conservative party, therefore, denied—and we blamed them for it, at the time—the policy advocated by Cartier and Macdonald, in 1879, 1888, and the other years when measures tending to the same

results were enacted. The Conservative party succeeded in convincing the majority of the people that they were right, and the people voted down the reciprocity treaty with the United States after winning the election, notwithstanding the fact that the Democrats were still in power in the United States, no steps were ever taken by the Conservative party to put into force these acts.

In 1923, under the Liberal regime, efforts were made to bring about such reciprocal arrangements but no results followed—I think that the Republican party was then in power. In a few days the United States will have at the helm of affairs the Democratic party which on many scores resembles the Liberal party, especially as regards their tariff policy. Is it the advent to power of this party which has brought about such a change in the Prime Minister's views on trade intercourse with the United States? He has, however, for ever so long, known what was the trend of trade with our neighbours to the south as shown in the statistics, and also that with other nations. He is fully aware that, even with our high tariff protection, our trade with the United States represents half of our total trade with the entire world and the two-thirds of our trade with foreign countries. Our trade with the United States is twice as large as that with the British Empire. He is fully aware that notwithstanding all tariff restrictions and obstacles, it was impossible for us not to trade with United States.

The right hon. Prime Minister referred to our geographical situation. If it is true that this geographical situation lends itself to trade intercourse with the United States is it not much more natural to trade with them than with distant countries.

I doubt very much whether this so long delayed repentance on the part of the Prime Minister can have practical results in connection with our trade with the United States. What has been the Conservative party's tariff policy with our neighbours, since it assumed power, in 1930? They increased the customs duties on two-thirds of our tariff items, contending that the Fordney-McCumber and Hawley-Smoot tariffs, necessarily obliged us to adopt such a policy. It was laying down the principle that the tariff was to be used as a threat rather than as a means of trading.

We must, however, note with joy this acknowledgment by the Prime Minister, because we, the Liberal party, are convinced that we shall only return to prosperity by increasing our trade with the United States, as well as with the other countries.

When you raise a tariff barrier between Canada and the United States, you hinder trade, whether it be imports or exports. When I examine our trade statistics for 1931, I find that we are making a great blunder in refusing to trade with the United States, notwithstanding their prohibitive tariff, because in 1931, our exports to the nations comprising the British Commonwealth amounted to $292,884,145, and our imports were $204,935,168; while our exports to foreign lands, in those countries which also have a high tariff wall against us, amounted to $506,768,522 and our imports to $701,677,513. This proves that our trade outside the empire is far larger than within the empire.

It took our government two years to negotiate a pact with the British Commonwealth. Why should it not now endeavour to negotiate trade conventions with the other countries? Our agreements with the various nations of the British Commonwealth will always appear as an impediment, however, even then, I think that an honest and sincere effort on the part of our government would produce good results. I fear that, not having the same policy as the Domocrats in tariff matters, our government may encounter some opposition from our neighbours to the south, however the effort will not harm us.

I have but one further argument to set forth, before closing my remarks. The Prime Minister, in a meek and very conciliating mood, requested the sponsor to withdraw his resolution. His party was well disposed to negotiate with the United States. It was better not to bring on any clash between the two parties in the house. In due time, he would take the necessary course to open up trade negotiations with the United States. If the policy submitted to the house is to the advantage of Canada, if the principle of reciprocity is sound, there is no need for the sponsor of this resolution to withdraw it. If it is desired to show a united front before the country, the United States and the other countries, this resolution should be unanimously carried, thus the house would give a proof of its sincerity. I am aware that our friends opposite hailing from Quebec will find it hard to vote for this trade and policy, they who, in 1911, 1917, 1921, 1925, 1926 and 1930, boasted of the contrary throughout Quebec; however, it is never too late to repent. I think that they would rise in the people's esteem by adopting the principle of this resolution.

Mr. J. H. MYERS (Queens): Mr. Speaker, We in the maritime provinces, all things being equal, would be quite in favour of the

resolution now under consideration. For generations our natural market has been down the Atlantic seaboard in the New England states. We always found a profitable market there, and while that market remained open to us we in the maritime provinces were very prosperous indeed. My idea of the tariff situation to-day is that tariffs throughout the world,—in America, Europe or wherever you may go—are much too high. To my mind they constitute a great restraint upon the trade and commerce between countries.

Hon. gentlemen opposite who spoke this afternoon appear to have tried to convey the impression to the house and the country—and more particularly the country—that the tariffs imposed against us by the United States are of our own making. They would try to have us believe that the tariffs against our goods entering the United States were made in Ottawa. Such, however, is not the case. Those tariffs are made in Washington, and anything that this parliament has been able to do or say has not had the effect of lowering their tariffs. The hon. member for Prince (Mr. MacLean) spoke about the decline of trade between Canada and the United States. True, trade has declined, but while trade will decrease or increase very quickly according to the prices of the different commodities concerned, a decline in value does not always indicate a decline in volume. That is one point which should not be forgotten. However there has been a very good reason for the decrease in trade in the last two years between Canada and the United States.

After six o'clock I managed to secure some figures concerning a few of the commodities with which I am most concerned, and I should like to place them on Hansard to show what has happened during the last few years. The hon. member for Medicine Hat (Mr. Gershaw) spoke about the cattle trade, and made reference to the great trade enjoyed until the year 1921 between the western prairie provinces and the United States. Why should there not have been that trade? Up to 1921 Canadian cattle entered the American market free of duty, and I am of the opinion they should still enter under the same condition; we all believe that. However, in 1930 conditions were different. As the hon. member stated, cattle of 700 pounds or under were subjected to duty of two and a half cents a pounds while on cattle over 700 pounds the duty was three cents per pound. Again, take poultry; in 1921 the United States duty was one cent a pound; in 1930 it was 8 cents a pound. It was intended that the duty should be prohibitive; that is why it was put on. On sheep, which entered the United States free in 1921, you now have to pay $3 per head, almost half the price of the sheep. Oats that in 1921 entered the United States at 6 cents for thirty-two pounds now pay 16 cents —prohibitive again. Wheat, which was free in 1921, now pays 42 cents per bushel. Wheat flour, which was free in 1921, now pays $1.04 a barrel. Pork, something in which we are all interested—in our section of the country vitally so, for it is one of the chief articles of export—in 1921 was free of duty; to-day it pays 3½ cents a pound to enter the American market. Butter in 1921 carried a duty of 2½ cents a pound. I would not complain about that, but imagine a duty on butter in 1930 of 14 cents a pound, almost the price of the article! Cheese in 1920 was 20 per cent ad valorem; now it is 35 per cent. Cream, which was free—and this should interest the farmers of central Canada—now pays 56.6 cents per gallon, a duty intended to be prohibitive and nothing else. Potatoes, in which we, in our province, are vitally interested, were free in 1921; now we have to pay a duty of 75 cents per hundred pounds to get them into the United States. Turnips, another article that we export largely, were 15 per cent then; they are now 25 cents per hundred pounds. So it is easy to see why the trade between Canada and the United States should decline, under the duties I have mentioned, duties which were clearly meant to be prohibitive.

But just as the exports from Canada to the United States have declined, we are pleased to be able to inform this house that owing to the beneficial arrangements made at the Imperial economic conference held here last August, our exports to British countries are on the increase. During the last six months of 1932 our exports to the United Kingdom totalled $116,487,568 as against $102,433,809 for the first half of the year, an increase of $13,953,759. That is where our exports are going now. We have found the United States market very fickle, and I believe that is what the Canadian exporter is afraid of. We want markets upon which we can rely over a long period of time. It is no light matter for an exporter to establish connections in a certain country and build up the shipping facilities necessary to move his product, and then have his exports to that country ruthlessly shut off overnight, as was done by the United States in 1930.

The same is true of Canada's exports to other British dominions. During the last six months of 1932 our exports to empire countries totalled $137,209,418 compared with $126,483,-054 for the same period of 1931, a gain in the year of $10,726,364.

Now my hon. friend from Prince (Mr. MacLean) made some statements this afternoon with reference to the export of potatoes. He told us, I think, that somewhere around 4,000,000 bushels of potatoes had been exported, largely from the maritime provinces, even in spite of the 75 cents per hundred pounds duty. My hon. friend was a little in error there, because in the year he refers to the duty on potatoes was only 50 cents a bushel. I remember quite well the fight that took place with reference to this duty on potatoes in 1929. I happened at that time to be a director of the Prince Edward Island Potato Growers' Association. Foolishly, I now think, we spent a considerable sum of money in conjunction with men and firms in the southern states who were buying our potatoes; we had men at Washington looking after our interests; we did all that men could do to prevent the United States from raising that duty on our potatoes from 50 cents to 75 cents. Our effort was absolutely in vain. The state of Maine and other potato growing localities of New England simply brushed us aside; they had their way, and the duty was put at 75 cents per one hundred pounds.

Now we are just as anxious to trade with the United States as they are to trade with us. Figures have been given here to-day about the great volume of export business that we had with the United States up to a year or two ago. That business now is to a certain extent shut off. I imagine that the American people will miss that business, and they will now be more ready to listen to us regarding a reduction in tariffs than they would have been had we allowed that business to flow freely over our borders. I think we have given them a little check-up and taught them a lesson, and I believe that with the new government to be inaugurated in Washington, representing the Democratic party, who have always appeared to be a lower tariff party, we shall soon be able to arrange some nice little bargains with them in reference to the interchange of goods, especially products of the farm, the sea, and the forest.

A good deal has been said here to-day about that famous 1911 reciprocity election. I remember it very well. I took a considerable part in it in support of the candidates who were contesting the constituency I now have the honour to represent. The result of that election was no snap verdict. I do not remember any question that was more clearly and fully put to the Canadian electors, and more fully explained to them than was that reciprocity pact during the campaign of 1911. I imagine it was some time in late March or early April that Mr. Fielding, the Minister of Finance at the time, came back from Washington with that agreement. It was announced here in the House of Commons, it was published in the Canadian press; from one end of this country to the other, speakers on both sides of politics went out and fully explained the matter to the electors. And you must take this further fact into consideration, that for fifteen long years the Conservative party had been in hopeless opposition. I say "hopeless" because some of the Conservatives we tried to persuade to cling to the old Tory banner were becoming discouraged, and we were almost discouraged ourselves. I do not see how the defeat of the reciprocity pact of 1911 ever can be blamed on the Conservative party. It is quite true that Conservative politicians and candidates did their best to explain to the Canadian people that it would not be good for them to enter into that agreement, but it is equally true that my hon. friend the late Minister of Justice and his colleagues went the length and breadth of this country in support of that proposal, using great eloquence and taking full advantage of the fact that at their head they had a loved leader, Sir Wilfrid Laurier, who until that day never had tasted defeat. That is quite an asset to any party. Those were the conditions, and if there is any fault to be found with the verdict that was rendered on that occasion I do not see that the blame should rest with the Conservative party. The old Tories voted as they always had voted, so there must have been a lot of Liberals who turned over and voted against the reciprocity pact. Therefore the credit or discredit, depending on how you look at it, for the defeat of that pact belongs to the Liberal voters.

I do not intend to take up much more of the time of the house on this question. I was a little surprised this afternoon to hear my hon. friend from Prince mention butter; I thought that was the one question upon which he would not have touched. My hon. friend mentioned the live lobster industry of Prince Edward Island; he spoke of it in such a tone of voice that one would almost think there was some great obstacle in the way of shipping those lobsters to the United States. My hon. friend knows very well that live lobsters enter the United States free of duty, so there is no reason why we should not do a good, profitable business in that line. My hon. friend, however, bemoaned the fact that during the present year we have imported some 350,000 pounds of New Zealand butter. Why, Mr. Speaker, that would not butter very many slices of bread. Last year we manufactured

within our own borders some 300,000,000 pounds of butter, almost all of which was consumed in Canada, so it will be seen that 350,000 pounds would not be a drop in the bucket. It is quite true that the price of butter was low last summer; I regret that fact as much as anyone could regret it because that is the way I make my living. But just think what would have happened if hon. gentlemen opposite had been in power and that famous New Zealand agreement had been in force, under which from 30,000,000 to 54,000,000 pounds of butter annually was allowed into Canada to flood our market.

I have no quarrel with the resolution now before the house. I confess quite freely and frankly that the people of the maritime provinces, and I believe the people of the dominion generally, are anxious indeed to trade with the United States. That is quite natural, because they are our nearest neighbours, but there is no use in my trying to sell a horse to my neighbour if he does not want to buy it. Before I can do business I must look for someone who needs a horse and is able to buy it. I would be the last man on earth to accuse my hon. friend from Antigonish-Guysborough (Mr. Duff) of doing anything in an underhand way; I know he would not do that, but I have an idea that hon. gentlemen opposite have taken into consideration the fact that the Prime Minister so ably piloted Canada through the Ottawa conference and arrived at trade agreements which within the next three or four years cannot help but make agriculture in this country prosperous; I am afraid they feared that the right hon. gentleman might do the same thing again and arrive at a beneficial agreement with the United States. To my mind this resolution is advanced at this time more or less to forestall any action of that kind on the part of the Prime Minister. If that be the object of the resolution I should feel like voting against it, but if it was advanced in an honest desire to secure a trade agreement between Canada and the United States I should be very happy to support it.

Mr. F. H. PICKEL (Brome-Missisquoi): Mr. Speaker, this resolution reads:

> ...it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States whereby the natural products of Canada, that is the products of the sea, the farm, the mines and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States in exchange for the admission of certain goods from the United States of America...

[Mr. Myers.]

I want to say right here, Mr. Speaker, that as far as products of the farm are concerned I am absolutely against any reciprocal arrangement with the United States. If we had reciprocity with the United States to-day we would get five cents a pound less for our butter and seven cents a dozen less for our eggs. Do hon. gentlemen opposite understand that? To-day Canadian farm produce commands the highest prices paid anywhere on earth. That does not include beef, but I would tell western members that beef is going to bring a better price; we have concluded a trade arrangement with Great Britain which eventually will provide a good market for our beef.

With regard to fish, lumber and cattle, if some arrangement could be made by which these commodities could be admitted to the United States I would be very much in favour of it, but certainly such an arrangement would hurt us if it included the products of the farm, and I shall have to vote against the resolution for that reason. Since last August, when for the first time in a good many years Canadian farm produce commanded better prices than were paid in the United States, I have expected advances to be made with regard to reciprocity, but I did not expect those advances to come from the hon. member for Antigonish-Guysborough (Mr. Duff). I thought they would come from the United States. This takes me back a great many years. I am older than most members of this house, and I live within striking distance of the American line, so I know how our people have been treated. The treaty we had with the United States was abrogated in 1865 and for several years, until 1878 or 1879, the farmers of Canada took 10 cents a pound for their butter, 5 cents for eggs and 5 cents for cheese, while the Americans were laughing at us. Their attitude was, "If you want to participate in the advantages of our markets, join us". I know what I am talking about.

In 1879 we brought down a national policy. At that time we did no manufacturing in Canada but depended upon foreign markets, principally the United States and England, for manufactured goods. We brought down a tariff, and I want to say right here that there are only two industries that have been uninterruptedly well protected since 1879, namely, tobacco and rubber. Where are those industries to-day? They are both flourishing, and I contend that if all our industries had had good, sane, reasonable and continuous protection they would also be flourishing to-day.

I have been amused as well as perplexed by the logic of the hon. member for West Edmonton (Mr. Stewart) who is a free trader. I have heard him on two or three occasions in this house, the last time just before adjournment, extolling the healthy and enviable position of the rubber industry in Canada. I wonder what that hon. gentleman thinks the healthy and enviable position of the rubber industry is due to. Is it due to free trade? Well, they have had a steady 35 per cent protection since 1879. From 1879 until 1885 or 1886 I could save my return fare on the railway going twenty miles to Richford, Vermont, in buying two pairs of rubbers. We began to establish rubber factories, commencing with one in the county adjoining me, the county of Granby. We built the Miner factory, the Granby, the Dominion, the Hamilton, the Gutta Percha, the Goderich, the Goodyear, Jacques Cartier, and other rubber concerns, and to-day all these rubber companies are competing. There is clean, healthy internal competition and we are keeping the money in Canada. What is the result? To-day you can buy better rubbers made in Canada as cheaply as in the United States. Furthermore, we export more rubber goods per head of population than any country on earth, and that condition in the rubber industry is due to the fact that that industry has had sane, continuous protection.

I contend that if you are going to have protection you must have a tariff that protects; a wish-washy halfway measure, half protection and half free trade, does not amount to anything. To-day, if someone suggested raising the tariff on rubber to 50, 75 or 100 per cent, there would be a terrible howl in this house. But what difference would it make to the price of rubber? Not a cent. If you took the duty right off it would not make the difference of a cent, but that 35 per cent protection is a safeguard. It is no longer protection but a safeguard; that is all. Had all our other industries received that protection they would be in the same position, so that the protection they receive would be no longer protection but a safeguard.

I will not detain the house longer. I simply want to state and state most emphatically that the eastern dairy farmer in Canada cannot be in favour of this resolution. If butter, cheese, eggs and the products of the farm come under a reciprocal arrangement, so far as trade with the United States is concerned, it will be disastrous to us, and for that reason I shall have to vote against the resolution.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I listened with much interest this afternoon to the Prime Minister (Mr. Bennett) in his remarks upon this resolution. He gave us an exhaustive review of the various negotiations between this country and the United States with respect to reciprocity, going back to a time prior to confederation and carrying his review up until the year 1930. Outstanding in that review were at least two significant features. One feature was that the Liberal attitude in this parliament had always been favourable to a reciprocal trade arrangement with the United States, if such could be obtained on terms mutually advantageous. I noticed that in speaking the Prime Minister enlarged the Liberal attitude somewhat and termed it the attitude of this parliament. Now, I regret to say that a review of the debates of this parliament would not disclose any such acquiescence by hon. gentlemen opposite in the Liberal point of view. It is something new to have it said by the leader of the Conservative party that the attitude of this parliament has been consistently one of desiring a reciprocal trade arrangement with the United States. That is one feature which would indicate that my right hon. friend, if he believes what he says at this moment, has experienced a change alike of heart and of mind as a consequence of the changed conditions that have come about of recent years. I notice that the right hon. gentleman has just come into the chamber. May I repeat to him what I have just said. I was saying that, in reviewing the situation this afternoon, he left the impression that the general view which this parliament had taken was one favourable to reciprocity—

Mr. BENNETT: In natural products.

Mr. MACKENZIE KING: I am glad to have him give me exact terms, because I had not so understood the position of the Conservative party up to the present time. As I recollect the discussions in this house, the Conservative party has from time to time strongly opposed a reciprocal trade agreement with the United States—

Mr. BENNETT: Not in natural products.

Mr. MACKENZIE KING: —in natural products, and has given at different times various reasons for such opposition. However, if to-night we are agreed that hon. gentlemen opposite as well as those on this side of the house favour a reciprocal agreement in natural products, then I say that the sooner we seek to bring about such an agreement the better; for surely nothing is so greatly needed at the

present time as a market for our natural products, and that market the best that can be obtained.

I followed with special interest the concluding portion of my right hon. friend's remarks. It was not, however, as we might have expected, that we should try to obtain a market in the United States for our natural products as quickly as possible, it was that we should not pass this resolution because in the near future there was going to be a world economic conference which, among other things, would deal with the question of tariffs. That was the concluding part of my right hon. friend's remarks, and on this ground he made a plea to the mover of the resolution (Mr. Duff) that he should permit a debate but withdraw his resolution at its conclusion. If my right hon. friend had been logical and consistent he would not have asked that the resolution be withdrawn, he would have asked that it carry unanimously so that when this world economic conference takes place all those who attend would at least know the position of the Canadian parliament upon this matter.

Mr. BENNETT: May I interrupt my right hon. friend?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: If he will observe the terms of the resolution he will note that the words are that this country should reopen the matter. I quoted the right hon. gentleman himself in an effort to show why we should not reopen the matter.

An hon. MEMBER: Why not?

Mr. BENNETT: A very good reason.

Mr. MACKENZIE KING: With respect to the question of reciprocity, this parliament of Canada and different governments have been governed pretty much by conditions as they existed at the time; they have necessarily been restricted in their actions by the opportunities that presented themselves.

Mr. BENNETT: Quite so.

Mr. MACKENZIE KING: That was the other feature to which I referred a moment ago, that was made apparent by the Prime Minister in his review. When no opportunity presented itself, naturally there was not the same reason for pressing the matter. On the other hand, where the United States took a particular course with respect to its tariff and the existing conditions demanded that Canada should as a consequence take a course which would serve to protect her own interests, the Canadian government has always felt free to take the course that seemed to be the right course under the then existing conditions. The course taken has been governed by circumstances. That is a thoroughly logical position, and it is the position which I think my right hon. friend ought to take to-night. Conditions to-day are different from what they have been at any other time; they are different in Canada as respects the need for markets, a need which has never been so great as it is at the moment. An opportunity is being presented to-day such as has not been presented since 1911. As my right hon. friend knows, the president-elect of the United States has indicated publicly that he is prepared to make reciprocal agreements with any countries that are prepared to make reciprocal agreements with the United States.



Mr. BENNETT: But not with respect to natural and farm products.

Mr. MACKENZIE KING: His terms were broad enough to include almost everything if a mutually satisfactory arrangement could be reached. If he is prepared to negotiate reciprocal treaties, then I think my right hon. friend ought to find out from him if he would consider a reciprocal treaty with Canada in natural products. When the incoming administration in the United States publicly states that it is prepared to negotiate reciprocal treaties, then I think the government of the day in Canada should at least not hesitate to open negotiations. These should be opened through the minister at Washington.

Mr. BENNETT: Before the president is installed?

Mr. MACKENZIE KING: Begin now to prepare for negotiations through the minister at Washington. He should be made au fait with all phases of the matter in order that no time may be lost.

May I say to my right hon. friend that in this connection I do not think he is as much concerned about the world economic conference to be held in the near future as he is about the recent Imperial economic conference which was held in Canada. I recall that the Chancellor of the Exchequer of Great Britain, speaking, I believe, in the British parliament, or at a public meeting, made the statement, in order to obtain support for the United Kingdom-Canada agreement, that unless the United Kingdom-Canada trade agreement went through, in all probability Canada would seek to bring about a reciprocal agreement with the United States. I think that is a correct interpretation of his remarks.

Mr. BENNETT: Substantially correct.

Mr. MACKENZIE KING: If the Chancellor of the Exchequer of Great Britain had that impression in his mind he got it while he was here at the imperial conference.

Mr. BELL (Hamilton): Why?

Mr. MACKENZIE KING: I am sure he did not get it out of his own head or from any one in Britain, and I do not see why my hon. friend should ask, why. He was speaking about conditions in Canada as he had been told about them in this country during the conference, and I have not the slightest doubt in the world that he got the impression which he had from the right hon. gentleman who is now leading the government. That is precisely the point of view which has been put forward time and time again by the Conservative party with respect to the trade agreement with Great Britain, that the choice lay between Canada trading with Great Britain or trading with the United States. May I say that there is no such alternative; Canada is quite as able to trade with Great Britain and with the United States as Great Britain is to trade with Canada and with other countries of the world. That is the position which we should take at the present time.

What are the difficulties likely to confront the present government when this world economic conference to which the Prime Minister has alluded takes place? The conference is going to consider the question of tariffs and in this connection so far as Canada is concerned there will come up possible reciprocal agreements which can be arrived at between this and other countries. The first obstacle that is going to stand in the way of a reciprocal agreement between Canada and any other country will then be seen to be the trade agreements arrived at during the imperial conference this last summer. Immediately my right hon. friend is going to feel obliged to say: We would like very much to join in this movement for the reduction of tariffs but so far as Canada is concerned we can go only so far; it is quite true that we can reduce our tariff to a certain figure but we cannot go below that because we have entered into an agreement with Great Britain that for five years we will maintain a certain tariff as against all other countries so as to give a certain margin of preference to the United Kingdom. Upon what basis was that tariff arrived at? We used to have and have yet to a certain extent, although one is now pretty well shattered, three tariff levels; we have the general tariff, the intermediate tariff and the British preferential.

Mr. BENNETT: And the treaty tariff.

Mr. MACKENZIE KING: Our tariff has been so altered that for the most part on commodities likely to be a factor in trade negotiations with other countries the intermediate tariff has been brought up to the level of the general. If we began to bargain with any other country we would find ourselves in a position where we could not as respects certain commodities make a reciprocal offer because we have to maintain for five years to come a tariff rate which would give Great Britain a preference of a fixed amount. If my right hon. friend really wishes to trade with the United States the first step he will have to take will be to have that treaty modified so as to leave him absolutely free to make a reciprocal agreement with the United States.

Mr. BELL (Hamilton): Are you objecting to the British preference?

Mr. MACKENZIE KING: I am not objecting to the British preference. May I say that I would go much further with respect to British preference than have hon. gentlemen opposite. I would begin by giving a British preference which would be a preference and would mean something to Canadian as well as to British trade.

The point I wish to make at the moment is this: My right hon. friend would find himself fortified in an effort to modify the United Kingdom-Canada agreement if he had from this House of Commons a unanimous expression in favour of this resolution which states that this country is desirous of entering into a reciprocal agreement with the United States on natural products.

Mr. BENNETT: That is not what it says.

Mr. MACKENZIE KING: It asks that we re-open negotiations, and that is a very mild way of stating the objective. It is only a beginning, but it is a beginning in the right direction.

We have heard a great deal this afternoon and evening with respect to the need of a market for cattle. I think it is pretty generally agreed that so far as Canadian cattle are concerned, the United States is a natural market. May I pause here to re-emphasize what the Prime Minister said this afternoon so that his words may reappear from time to time when we discuss the relations of trade between the United States and Canada. He said that we were all agreed that the United States was the natural market for Canadian products.

Mr. BENNETT: So far as it was possible to have a natural market for anything.

Mr. MACKENZIE KING: I was just going to add that, and I am very glad to add my right hon. friend's modifying words. That is what we have been contending, that the United States, situated as we are, was our natural market, and that so far as it is possible to secure that market we ought to secure it, and if the ministry is anxious to promote trade they will find under existing conditions a way to make it possible to get into that market.

Mr. BENNETT: You did not get into it in nine years.

Mr. MACKENZIE KING: Let me go back to the question of markets. Our natural market we are agreed is the United States. May I point out that while we here have been discussing this matter as affected by the United Kingdom-Canada agreement, in Great Britain they have also been discussing the question of trade under the United Kingdom-Canada agreement. They have been discussing in that connection the possibility of at least one other country finding a market for its cattle, and finding that market in Great Britain. That brings this whole question, it seems to me, very much to a head. Is this treaty to operate one way with respect to Great Britain and another way with respect to Canada? We have the statement from British statesmen and men in public life in Great Britain that so far as the United Kingdom-Canada agreement is concerned, Great Britain under its provisions is free to make reciprocal arrangements and can do so, and further that the treaty can be modified if it stands in the way of any reciprocal agreement. I have said before, and I wish to repeat, that I think in that regard there is no doubt in the world that the British ministers at the recent conference did score a point over our Canadian ministers in that the British statesmen took good care to see that what they were giving to Canada could, for the most part, be given to any other country in the form of reciprocal agreements, if they wished to do so, while we on the other hand, by binding ourselves for a period of five years to maintain a certain margin of preference based on keeping our general tariff at a certain level tied our hands so that we could not make reciprocal agreements with other countries.

May I read an item which appeared in the press of the past week with relation to the pacts made at Ottawa, and which are stated to be capable of modification. It bears directly on what we are discussing at the moment.

Mr. BENNETT: Who is the author?

[Mr. Bennett.]

Mr. MACKENZIE KING: It is a dispatch from the Canadian Press, London, February 10, and it refers to a reception that was given to the representative of the Argentine republic in Great Britain. Great Britain is anxious to promote trade with the Argentine republic, just as we are anxious to promote trade with the United States, and she also is confronted with the question of just in what position she stands vis-a-vis this United Kingdom-Canada agreement. Here is the public statement that goes out from Great Britain with respect to the United Kingdom-Canada agreement in its relation to the possibility of Great Britain negotiating a reciprocal trade agreement with respect to the Argentine. I shall read the entire article so as not to be accused of having omitted any part of it. It is a dispatch from the Canadian Press. I read what appears in the Ottawa Citizen of February 11, 1933.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I could just as well read it from the Ottawa Journal, as all the papers carried the same dispatch, It reads:

(Canadian Press)

London, Feb. 10.—"Agreements made at the Ottawa conference do not preclude trade negotiations with other countries," the Prince of Wales told a large gathering at the Argentine Club to-night.

The occasion was a welcome to Vice-president Roca of Argentina, who heads a trade delegation to the United Kingdom.

Walter Runciman, president of the board of trade, another speaker at the banquet, declared modification of present restrictions on export of money from Argentina was desirable, and he coupled an assurance that the agreements made at the Ottawa economic conference affecting meat were capable of modification when to "mutual advantage."

The speaker said Great Britain regarded Argentina at least "first cousin" of the Empire, if not "son of the Empire."

The Prince of Wales prophesied that anyone returning to the earth a century from now would find Argentina a "great and leading nation with a highly developed and original culture." He added that this depended upon keeping the nation prosperous and that in turn depended upon prosperity of the beef industry which he said is closely bound up with the British market.

"But while Argentina requires this market, I do not forget that there are things we want from Argentina ourselves—security for our investments and an increasing market for our goods, with facilities for obtaining remittances in payment.

"Agreements made at Ottawa do not in any way preclude negotiations with other countries, and the Argentine is naturally one of the first countries we want to negotiate with."

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: May I ask, if these agreements arrived at in Ottawa do not

stand in the way of negotiating an agreement respecting cattle, to speak of one commodity only, between the Argentine and Great Britain, why should these agreements be permitted to stand in the way of a reciprocal agreement between Canada and the United States? If the Argentine can be described, as it was described by one of the British ministers who was present at the Ottawa conference this past year, as a cousin or son of Great Britain, surely some description of Canada that would indicate an even more immediate relationship than that would be wholly appropriate as applied to this country; and if the Argentine in the future is to be looked upon as a great and prosperous country because it has had a market for its cattle in Great Britain, why should not this country equally be looked upon as a great and prosperous country in view of the markets which it also has been able to find with regard to cattle and other commodities?

Mr. BENNETT: The market the Argentine needs is not for cattle, but meats.

Mr. MACKENZIE KING: I am speaking of Canadian cattle.

Mr. BENNETT: The Argentine is looking for a market for her meats.

Mr. MACKENZIE KING: The relationship is close enough between cattle and meats. The point I wish to make is this: When my right hon. friend asks us to withdraw this resolution because there is going to be a world conference which is going to discuss tariffs why does he not ask Great Britain similarly to defer her negotiations? I say to him that that proposal is a bluff pure and simple. It is not a reason; it is not an argument. The argument is entirely the other way; the logic of the position is entirely the other way. What my right hon. friend should do is to allow this house to pass this resolution, which he would lead us to infer is one which meets with his approval—

Mr. BENNETT: Not in those terms.

Mr. MACKENZIE KING: My right hon. friend always seeks to save himself by some few little words which will serve his purpose. I do not find fault with him for that. But I am looking at the main objective. What we are seeking at the moment in Canada is trade with every country that will trade with us on a basis that is mutually advantageous. We should not permit any treaty or agreement that has been entered into between the United Kingdom and Canada to stand in the way of reciprocal arrangements of the kind if that same treaty is not to be permitted to stand in the way of reciprocal arrangements which can be made with other countries by Great Britain, the other party to the agreement. So I say to my right hon. friend and hon. gentlemen opposite that if they are sincere in their willingness to promote trade with the great country to the south, they will not ask that this resolution be withdrawn or seek to postpone a vote upon it, but they will let us have a division upon it immediately, if it is not to be carried unanimously—

Mr. BENNETT: Or amended, as it will be.

Mr. MACKENZIE KING: We will see the nature of the amendment and then judge the mind of hon. gentlemen opposite.

Mr. BENNETT: We will not adopt that resolution.

Mr. MACKENZIE KING: If my right hon. friend wishes to amend the resolution, it is quite proper he should do so. We will then understand that he does not wish it to be carried in the form in which it is, and we shall judge by his amendment what if anything he is prepared to do. But the step to be taken now is to clear the decks as quickly as possible of any obstacle in the way of further reciprocal agreements, and the first step necessary in that regard is for my right hon. friend to have the United Kingdom-Canada trade agreement so modified as to leave his hands absolutely free to negotiate a trade agreement with the United States if the opportunity offers.

Mr. J. L. BOWMAN (Dauphin): Mr. Speaker, I am somewhat surprised at the attitude of the right hon. leader of the opposition (Mr. Mackenzie King), who has just taken his seat. For about one-tenth of the time of his speech he indicated a belief that the sooner a reciprocal agreement was brought about, the better it would be for all concerned. For the remaining nine-tenths of his time he pointed out the obstacles in the way of bringing such an agreement into effect.

May I state frankly that I had not intended to say anything until I heard the remarks of the hon. member for West Edmonton (Mr Stewart). While listening to his speech I could not help but think that from 1921 to 1930 he had been a minister in a government led by the right hon. gentleman opposite. During his speech I found myself considering the record of that government so far as reciprocal agreements with the United States are concerned. This evening the right hon. leader of the opposition stated that we should have new markets, that from 1911 until the present

day there never has been a time when new markets were more needed than they are today. I should like to remind him that when he assumed office in 1921 our export trade to the United States was valued at about $560,000,000. But, as a result of the Fordney-McCumber tariff which came into force in September of the following year, just after the right hon. gentleman took office, our export trade fell from $560,000,000 to $304,000,000. Was there ever a time in our history when we needed new markets, and needed markets in the United States, more than we did then? What did the right hon. leader of the opposition and the hon. member for West Edmonton do to recover the market lost at that time? What was the attitude of the leader of the opposition?—"Don't provoke."

The right hon. leader of the opposition has mentioned cattle, and the hon. member for Medicine Hat (Mr. Gershaw) gave some figures in that connection. Prior to the Fordney-McCumber tariff we had shipped to the United States over 400,000 head of cattle yearly; that has been reduced to 18,000 head. Why? There are two measures responsible, namely the Fordney-McCumber tariff and the Hawley-Smoot tariff of 1930. There has been a similar decline all down the line. The hon. member for Queens (Mr. Myers) gave figures showing the increases in tariffs which were placed against our natural products going into the United States during the nine years the right hon. gentleman opposite led the government. What did he do to restore a single dollar's worth of that trade to the primary producers of Canada? If he has such a burning desire to enter into a reciprocal agreement with the United States, and if there was such a desire during those nine years of office, certainly no one would be led to that conclusion from the record of his government or the results shown in the trade figures.

Let me enlarge a little upon that phase of the matter. I do not wish to repeat figures which have been placed on record, but it should be pointed out that the Fordney-McCumber tariff came into effect in the United States on September 21, 1922. It has been pointed out that in 1921 wheat entered free, but when the right hon. gentleman left office there was a duty of forty-two cents a bushel on it. What did he do with the United States to get back some of that trade?

Mr. MALCOLM: Was that his fault?

Mr. BOWMAN: No, perhaps not; I will give him credit for that. But where was his effort to improve trade conditions? Where was the burning desire for reciprocity? There may have been a desire, but what did it accomplish? What was done, in a practical way, to restore the trade we lost during those years? Let us see the figures in connection with wheat flour. We find that under the emergency tariff measure which came into effect on May 21, 1921, there was an ad valorem duty of twenty per cent. But when the right hon. gentleman opposite and his partly left office there was a duty of $1.04 per hundred pounds. The right hon. gentleman has said there is a connection between cattle and beef. Quite true. What happened with respect to meats? In 1921 beef entered free; mutton, free; lamb, free; pork, free. But when the right hon. gentleman left office in 1930 the duty on beef had risen to six cents per pound, on mutton to five cents per pound, on lamb to seven cents per pound and on pork to two and a half cents per pound.

Mr. MACKENZIE (Vancouver): That was under a Tory government.

Mr. BOWMAN: No, it was prior to the time the Tory government came into office.

Mr. YOUNG: There was a Tory government in the United States.

Mr. BOWMAN: What did you do about it? We could go all down the list of natural products which we in Canada were anxious to sell to the United States. From September, 1920, to September, 1921, our trade in agricultural products with the United States was valued at $159,000,000. From September, 1921, to September, 1922, the year the Fordney-McCumber tariff went into effect, it had dropped to $55,000,000.

When the right hon. gentleman and his party went into power they were immediately met by the Fordney-McCumber measure. They knew then the attitude of the United States in connection with tariffs on natural products. They were in power for eight or nine years subsequent to the introduction of that tariff measure, and if there had been any fruitful soil in the United States which could have been cultivated in their efforts to spread the desire for reciprocal trade arrangements, surely something could have been done in that time. But what do we find? We find that just before they left office another tariff measure, known as the Hawley-Smoot tariff, became effective. Did they do anything to prevent it? Were their hands tied? Were they unable to do anything? What do we find after they had been in office for eight years? Let me give just a few instances. On poultry the tariff is increased by the Hawley-Smoot bill from 3 cents to

8 cents per pound; on sheep from $2 to $3 per head; on oats from 15 cents to 16 cents per bushel; on bacon from 2 cents per pound to 3¼ cents; on fresh meat from 3 cents to 6 cents; on mutton from 2½ cents to 5 cents; on lamb from 4 cents to 7 cents; on butter from 12 cents to 14 cents; on cheese from 5 cents to 7 cents; on cream from 30 cents a gallon to 56·6 cents a gallon. One could continue the list indefinitely.

Mr. MALCOLM: What did the American public do to the government that raised those tariffs?

Mr. BOWMAN: May I ask the hon. gentleman in return what the people of Canada did to his government? What was the result? The result was that our trade in agricultural products with the United States fell from $55,000,000 to $9,000,000. And all the time, I presume, judging from the statement made this evening by the right hon. leader of the opposition, there was that burning desire to enter into reciprocal agreements for trade with the United States. I point this out merely to bring home the fact that after all, if you are going to make a trade agreement, there have to be two parties to the agreement.

Mr. MALCOLM: That is what we were up against.

Mr. BOWMAN: That is what we are up against exactly, I will admit it. Every country desiring to trade with another country must submit some proposition which is mutually satisfactory—

Mr. HEPBURN: Can't you blast your way into markets any more?

Mr. BOWMAN: I do not know that the hon. gentleman who has interrupted will ever get a chance to blast a way into any market.

Mr. CASGRAIN: There will not be any markets left.

Mr. BOWMAN: No, not if the policy inaugurated by my hon. friends opposite were continued, because the trade we desire in agricultural products with the United States disappeared under their regime.

As far as the resolution is concerned, that there should be brought about a satisfactory reciprocal trade arrangement between Canada and the United States, I do not think anyone in the house would differ from it.

Mr. ELLIOTT: Vote for it, then.

Mr. BOWMAN: I think that is the desire of every hon. member of this house, and the whole question at the present time as far as I personally am concerned is how and when the United States government should be approached.

Miss MACPHAIL: A good time would have been 1911.

Mr. BOWMAN: There may be a difference of opinion as to that, but one thing certain is that the electorate settled that question at that time.

The leader of the government has said that at the World economic conference, to be held some time this summer, the question of tariffs and trade barriers is to come under consideration. I think it is the general consensus of opinion in this house that tariffs to-day are too high—

Some hon. MEMBERS: Hear, hear.

Mr. BOWMAN: —that there are too many barriers and restrictions to trade. But there again we have the question of entering into a mutually satisfactory agreement with the different countries with which we purpose to trade.

The resolution in question goes on, after referring to a satisfactory reciprocal trade arrangement between Canada and the United States:

> Whereby the natural products of Canada, that is the products of the sea, the farm, the mines, and the forests, and including fish, lumber, wheat, cattle, etc., should have free entry into the United States. . . .

Well, if any hon. member of this house can show us how we can get that free entry, that is what we are looking for.

Mr. HEPBURN: That is your job.

Mr. BOWMAN: No hon. gentlemen on the opposite side, no hon. gentleman in this house, has shown us the way to get that free entry. As a matter of fact the right hon. leader of the opposition and his government during nine years in office showed how not to get free entry, and how the United States shut their doors in our faces as far as trade was concerned. The right hon. leader of the opposition stated that we should make it possible to get into that market, but did he make any suggestion as to how it was to be made possible? If we followed his example it would show how to make it impossible.

Now, Mr. Speaker, that concludes what I have to say in respect to the resolution, except that as far as I personally am concerned, and as far as western Canada is concerned, we would welcome any mutually satisfactory reciprocal agreement with the United States whereby our natural products would enter the United States free or on any reasonable and mutually satisfactory basis.

Mr. G. G. COOTE (Macleod): As there is an indication from my friends to the right that they are anxious if possible to have this debate conclude before adjournment to-night, I will take only a very few minutes. But I cannot allow this opportunity to pass without indicating my stand, and I think, in regard to this matter, I represent the stand of most of the members who sit in this corner. On several occasions since we have been in the house we have indicated our desire to secure better trade relations with the United States. Our attitude is still the same, and I would say briefly that the need was never greater. Trade on this continent naturally runs north and south, but it does seem that neither Canada nor the United States is aware of that fact. We both seem to have put every obstacle in the way that we possibly could. The trade figures show how successful these methods have been. In 1929 Canada bought from the United States about $877,000,000 worth of goods, while in the year ending October, 1932, we bought from them a little over $278,000,000 worth. The loss of trade in the opposite direction was equally heavy, Canada selling to the United States in 1929 $536,000,000 but only $178,600,000 worth in the year ending October, 1932. Agriculture is the chief industry of Canada; in 1921 we sold to the United States $159,500,000 worth of farm products, that is both raw and processed, while for the year ending October, 1932, we exported from Canada to the United States farm products to the value of only $8,850,000—a terrific drop.

Mr. BENNETT: The Hawley-Smoot tariff.

Mr. COOTE: Yes, the Hawley-Smoot tariff was passed in the interval. Personally I am particularly interested in a market for our cattle. The policy of the present government in keeping our currency at such a high level in the United States, and consequently keeping the pound at such a relatively low value in Canada, makes it almost impossible to market our cattle in Britain. Therefore we should seek every possible opportunity of negotiating with the United States to see if it is possible to secure entry to that market on more favourable terms.

One other reason I should like to suggest. We are told that our contractual obligations in the United States are so great that we must keep our currency as near as possible to the level of the currency of the United States; in other words, to use the expression of the man on the street, our currency seems to be tied to that of the United States. We are told that people in the United States have an investment in Canada of over four billion dollars. Surely investors in the United States and the authorities there must realize that the only way we can pay these obligations is by the export and sale of goods, including the gold that is produced in Canada. Surely the authorities in the United States must see the need of allowing us to export our goods to that country if we are to continue to meet those contractual obligations. I think that very fact should be of considerable help to any government.



Mr. MacMILLAN: I object, Mr. Speaker, to the hon. gentleman reading his speech.

Mr. SPEAKER: I think the hon. member is quite in order.

Mr. COOTE: I would suggest, Mr. Speaker, that the house provide the hon. member with a better pair of spectacles. Since the low tariff party soon will come into office in the United States surely it would be good policy on our part to hold out to them the olive branch. By passing this resolution we would indicate to the United States that the parliament and people of Canada are in favour of entering into negotiations designed to bring about the best possible trade relations between these two great countries on the North American continent.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, I feel that the house is indebted to the hon. member for Antigonish-Guysborough (Mr. Duff) for bringing forward this resolution, if only for the reason that it allows our old friends of the Liberal party to show that they are still running true to form. They are wonderful free traders when they are in opposition, but by the time they get in office they are wonderful protectionists. For ten years the burning desire of the hon. member for Antigonish-Guysborough for free trade with the United States in fish has been slumbering under the ashes, but some breeze has blown away those ashes, and immediately we get a resolution in favour of reciprocity.

Mr. DUFF: Not at all; I always was in favour of it.

Mr. TURNBULL: There has been no change of heart or mind in the Conservative party; it has declared itself in favour of reciprocal trade on mutually satisfactory terms. Those words are contained, I believe, in the speech delivered by Sir John A. Macdonald when he introduced the national policy in 1887. While the Conservative party believes in tariffs in order to protect the workingmen of this country from the competition of cheaper labour in other countries, at the same time we believe that reciprocal trade between

ourselves and other countries under carefully prepared treaties will benefit all concerned. It is true that our trade with other countries has been restricted and that we need markets for our natural products. It is true that we need markets for cattle, for wheat and for the other products of the farm, but we have needed them for the last ten years. Can hon. gentlemen opposite name one single treaty which they negotiated during the ten years they were in office which sold one dollar's worth of farm products? We had a treaty with Australia, which was later extended to New Zealand, which sold manufactured goods, but the farmers of Canada paid for that sale by the opening of the Canadian market to butter, while my hon. friend the ex-Minister of Trade and Commerce (Mr. Malcolm) declared that wheat products could find their own market, and that the Department of Trade and Commerce was not so much interested in the sale of these commodities as in the sale of manufactured goods. As soon as hon. gentlemen opposite got into opposition they became great friends of the people who want to sell natural products. When we came into office we proceeded to make the Canadian market available to Canadian farmers.

Miss MACPHAIL: And look at the prices.

Mr. TURNBULL: If my hon. friend knew what the prices were she would realize that the prices of farm products in Canada are better than in any other part of the world, and that is due in great part to the action taken by this government. After having given the farmers of this country the Canadian market, which they never had under the government of hon. gentlemen opposite, we turned to the problem of finding a market abroad. Whatever else may be said of them, the treaties into which we have entered were framed with the intent of selling the products of the farm, of the forest, of the mine and of the sea. In return we have agreed to facilitate the importation of manufactured goods from the mother country. While we were trying to find this market within the empire for our farm products, hon. gentlemen opposite were fighting us tooth and nail. Why are they so anxious to trade with the United States, with Russia or with any other country while they fight so bitterly against trading with the mother country? As a result of the treaties we made we are selling farm products in that market.

Let me point out that the United Kingdom market is likely to be open to us so long as we are able to supply it. If we make a treaty with the United States have we any guarantee that the treaty will be continued? Hon. gentlemen opposite say we should not make a treaty that will be continuous at all; they want us to make one that can be abrogated the next day. They do not believe in five year terms. Are we to give up the British market once more in order to get the United States market, which we may have for fifteen minutes, for five years or for as long as they choose to allow us to enter? Over and over again we have extended our trade east and west; then we began to trade with the United States until our east and west channels were closed up; then the United States market was closed to us, as happened in 1866, and we had no markets at all. Nothing in the imperial conference treaties precludes us from negotiating treaties with other countries, so long as subsequent treaties are negotiated in accordance with the terms of the treaties already made.

Hon. gentlemen opposite suggest that we should approach the United States in the hope of getting reciprocity. Why? We are told that the opportunity exists now because President Roosevelt is said to be in favour of lower tariffs. Let me remind hon. gentlemen what happened to President Wilson when he attempted to reduce the United States tariff a few years ago. At the next election his party was swept out of office. My hon. friends say that the reason they did not do this in the ten years during which they were in office was that a favourable opportunity had not presented itself, and now they say that a favourable opportunity does exist. What is the favourable opportunity? Not a single thing has been said on the other side of the house to indicate that the American government is any more favourable to taking Canadian farm products into that country than they were before. More than that, President-elect Roosevelt in the course of his election campaign declared that he did not know of one single item in the farm schedules on which the duty was too high. He was prepared to lower duties where they were too high, but he did not know of one single item where they were too high. Does that offer us any opportunity to sell our natural products?

It is very necessary that the quality of Canadian goods going to Great Britain should not be impaired. I remember hearing years ago Mr. Andrew Broder, the old member for Dundas, long since dead, telling what had happened to Canadian products when we had reciprocity with the United States. Canadian butter of good quality was sent across the line into the United States. It was stamped as American butter and sold in the British

market as such, while cheap American butter was stamped as Canadian butter and shipped from New York to the British market as a Canadian product. The result was that it took us a long time to regain the reputation for Canadian products in the British market which we had lost in those years.

If there is any possibility of opening up trade negotiations with the United States, if there is any disposition on the part of the United States to reduce their tariffs as they affect Canada and to do business with us, that feeling in the United States is not due to the attitude my hon. friends took in the spring of 1930 when they declared that they were afraid to increase their general tariff and were afraid to increase the British preference lest it might provoke the United States and be misunderstood on the other side of the line. If any favourable attitude has arisen in the United States in recent years it is due to the fact that this country has taken an independent, manly stand with respect to its own economic affairs. It is due to the fact that this government has put into force tariff schedules calculated to meet the interests of the people of this country, regardless of whether they provoke the United States or any other country. And if to-day the United States are prepared to deal with us, it is because they respect the attitude we have taken and realize that they are dealing with people whom they can neither browbeat nor frighten, people who are not afraid, people who will do what is best in their own interests, regardless of whether anybody in the United States disapproves or not.

To-day the Hearst press, which helped to elect President Roosevelt, is printing its diatribes against any reductions in their tariff. They are urging still higher tariffs so as to make up for the depreciation in currency in those countries which are trying to trade with them. It is true that this country needs trade. The people need internal trade even more than they do external. It is the fact that we had an external trade that makes us so susceptible during this time of depression.

Mr. BENNETT: That is what Mr. Dunning said the other day.

Mr. TURNBULL: Our external trade with America, amounting to $200,000,000 of farm products in 1922, when hon. gentlemen opposite came into power, has dwindled to less than $10,000,000 owing to the action of an outside government. It was the action of France, Germany and Italy that killed our external trade in wheat. I am in favour of external trade but not at the expense of internal trade. We must have an external trade on proper terms as between this and other countries. With respect to trade with the United States, there is not a person in Canada that I know of who is not desirous of increasing the trade of this country on terms advantageous to us. We are getting a market in Great Britain for our products. The figures produced daily by the bureau of statistics show an extending trade in practically every line of farm products in that country. True, we are not getting the benefit we should get, the benefits we shall get when exchange comes back to normal.

Mr. MACKENZIE (Vancouver): When there is a change in government.

Mr. TURNBULL: My hon. friend must not be pessimistic, for if we have to wait for a change of government we shall wait a long time. Our trade relations must be built on lines that will last, and in directions that can be maintained; they must provide a market that will be continuous. It costs money to build markets in foreign countries, and there is no desire to build markets in foreign countries when the people who are trying to establish them know that the day they are established they are liable to be killed by tariff action in some other country. If we can get a trade relationship with the United States which will last long enough to make it worth while, which will provide for the sale of western cattle, our western wheat, our British Columbia lumber, along with that of Quebec and Ontario, and which will enable my hon. friend from Antigonish-Guysborough (Mr. Duff) to sell his fish, and the people of New Brunswick and Prince Edward Island to sell their potatoes—

Mr. YOUNG: And radishes.

Mr. TURNBULL: I think the hon. gentleman would be better able to sell cabbages and socks. If, as I was saying, we can establish trade relations along these lines, which will be sufficiently continuous to enable us to keep the market once we have it, and to keep it long enough to make it worth while to establish such trade relations, and if we can do so without destroying the trade we already have, then I do not think there is any person in any part of this country who would object. If it is necessary that an opportunity should be provided for trade relations with the United States, and if the opportunity is as apparent as my hon. friends opposite think it is, then surely in the course of this debate they should have been able to give evidence of some kind to show that such an opportunity was available.

We have heard something to-night with regard to trade with Great Britain. We have heard about the Imperial conference and its effects, and we have been told what is taking place. It is exactly what we contended all last fall. These were the very things this side of the house was saying last year. We were claiming on this side of the house that these treaties did not preclude us from trading with other countries. My hon. friends were saying that they did, and now they quote British authorities to show that we were right. They said that we were building up an economic imperialism within the empire, a zollverein. They say that we have a high tariff wall around the whole empire to shut out the rest of the world. That was the story they told the public last year; that was the story they gave us last fall; that was the argument we heard until they had so confounded themselves that they did not know which way to vote when the vote on treaties came up. Within two or three months from that time we find the right hon. the leader of the opposition (Mr. Mackenzie King) coming back to this house and confessing that he was wrong all along and that we were right.

Some hon. MEMBERS: Oh, oh.

Mr. TURNBULL: I do not wonder that hon. members laugh at him. He now says that this treaty does not preclude Great Britain from trading with other countries, that it is quite open for her so to do. It is the same for us.

Mr. MACKENZIE (Vancouver): Not for us, that is the rub.

Mr. TURNBULL: There is nothing in our treaty to prevent our trading with other countries.

Mr. MACKENZIE (Vancouver): Of course there is.

Mr. TURNBULL: The Secretary of State (Mr. Cahan) has been in France negotiating a treaty with that country.

Mr. MACKENZIE (Vancouver): Where is the treaty?

Mr. TURNBULL: My hon. friends are in a hurry.

Mr. MACKENZIE (Vancouver): Give us another Regina announcement.

Mr. HEPBURN: Read us his speech on Japan.

Mr. TURNBULL: My hon. friends are in a hurry. May I remind them of what happens to Liberals when they get too much in a hurry? We have an example over in the other corner of the chamber; look where they have got to.

Mr. MACKENZIE (Vancouver): The tariff board.

Mr. TURNBULL: The hon. member for Vancouver (Mr. Mackenzie) wants to run after and catch up with them.

Mr. BELL (Hamilton): Oh no; he runs up a stick.

Mr. TURNBULL: He wants to catch up with the Liberals in that corner who were in a hurry. The hon. member for Weyburn (Mr. Young) says: No, "let them alone and they'll come home, bringing their tails behind them." I urge the hon. member for Vancouver not to get into too much of a hurry about anything; it is a part of the folly of youth that wears away in old age. He will get the treaty in due course.

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

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## Tuesday, February 21, 1933

The house met at three o'clock.

### PEACE RIVER OUTLET

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I beg to move, seconded by Mr. Spencer that the following motion having been called twice, and not being proceeded with, be restored to the order paper.

That, in the opinion of this house, the Peace River country should be connected by a direct railway outlet to the Pacific coast.

Motion agreed to.

### UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay on the table a number of orders in council passed pursuant to the relief legislation.

### RELIEF ACT, 1932, AMENDMENT

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to continue in force the provisions of the Relief Act, 1932, until the thirty-first of March, 1934.

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

Motion agreed to.

## SUPERINTENDENT OF BANKRUPTCY

On the orders of the day:

Mr. JOSEPH JEAN (Maisonneuve): Mr. Speaker, I should like to ask the Minister of Justice if he has received a complaint from the Montreal Bar Association against Mr. W. J. Reilly, superintendent of bankruptcy, and if so what answer he has given to that association? An article from a Montreal newspaper dated February 17, 1933, reads as follows:

Complaints against Mr. Reilly, Superintendent of Bankruptcy.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Will the hon. member proceed with his question?

Hon. HUGH GUTHRIE (Minister of Justice): He has asked his question. At the moment I have no recollection of having received any representations concerning the superintendent of bankruptcy from the Montreal Bar Association. However if I did receive such representations I forwarded them to the Department of Finance, because the superintendent of bankruptcy is now under that department.

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Minister of Finance if he has received the resolution of the Montreal Bar Association mentioned by my hon. friend from Maisonneuve (Mr. Jean) and what he has done with regard to it?

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, as far as my memory serves me I have received no resolution from the Montreal Bar Association. I did, however, receive a resolution from the council of the Montreal Bar Association and some inquiries were made by myself in respect to the matter in question, but no official acknowledgment has been made, solely for the reason that as my hon. friend knows I have been indisposed of late. But an answer will be forthcoming in a few days.

## FISHING BOUNTY

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, before the orders of the day are called I should like to refer to a question which appeared in the votes and proceedings of Friday last, February 17, 1933. The question I have in mind has reference to the bounties paid fishing vessels and to fishermen during the years 1929, 1930, 1931 and 1932. Yesterday, only four days after my question appeared in the votes and proceedings, the acting Minister of Fisheries (Mr. Duranleau) was good enough to file sessional paper No. 115a. This paper gives particulars regarding the years 1929, 1930 and 1931, but the answers concerning the year 1932 which, for my purposes, are the most important, are in every case "not paid yet." I wish to state that this return is incomplete. I am not blaming the acting minister, because I appreciate fully his position, but I want to say that the official who prepared this return should be disciplined. I want the information, and I am willing to wait for it.



Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): Mr. Speaker, I shall look into the matter, and if the return can be supplemented with further details, it will be.

## CANADIAN GOLD MINES

On the orders of the day.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I would like to ask the Minister of Finance (Mr. Rhodes) if he has given any thought to taking over the gold mines in Canada, increasing their output and enlarging the survey for more gold, in order that we may be able to carry on.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, I am quite sure my hon. friend from Wetaskiwin (Mr. Irvine) would not expect an answer right out of hand to a question so all-embracing as the one he has submitted.

## OFFICIAL REPORT OF DEBATES

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): On the front page of Hansard of Monday, the 20th of February, I see that it is supposed to be an unrevised edition—official report. It is rather the first issue of expurgated Hansard.

## BANKRUPTCIES—1932

On the orders of the day:

Hon. J. C. ELLIOTT (West Middlesex): Might I ask the Minister of Finance (Mr. Rhodes) if he has received from the superintendent of bankruptcy any report along the lines discussed when the matter was before the committee last year as to the bankruptcies during the calendar year 1932 and the amount that has been received by creditors?

Hon. E. N. RHODES (Minister of Finance): No, no such report is to hand as yet.

## INDIAN ACT AMENDMENT

The house resumed from Tuesday, February 14, consideration in committee of Bill No. 21, to amend the Indian Act.—Mr. Murphy—Mr. Sullivan in the chair.

Section 6 agreed to.

On section 7—Inquiry as to fitness for enfranchisement.

Mr. MACKENZIE (Vancouver): Might I ask the minister to explain.

Mr. MURPHY: Section 110 as it exists in the act at the present time, the hon. member will find printed on the right hand page of the proposed bill. The proposed amendment reads:

> The Superintendent General may appoint a board to consist of two officers of the department and a member of the band to which the Indian or Indians under investigation belong, to make inquiry and report as to the fitness of any Indian or Indians to be enfranchised.

You will observe that the act as at present in force reads that the Indian may be enfranchised upon the application of himself or of a band on a vote of a majority of the male members of such band of the full age of twenty-one years at a meeting or council thereof summoned for that purpose. Under the amended section the Superintendent General would be given the power to appoint a board to consist of two officers of the department and a member of the band to which the Indian or Indians under investigation belong, to make inquiry and report as to the fitness of any Indian or Indians to be enfranchised.

Mr. MACKENZIE (Vancouver): Will the minister inform me how many have been enfranchised under the old section 110?

Mr. MURPHY: During the ten year period from 31st December, 1922, to the 31st December, 1932, under section 122a of the old act and section 114 of the new, 793 Indians were enfranchised.

Under section 107 of the old act and 110 of the new—that is the act which is at present in force—61 Indians were enfranchised during the same period.

I may say that the majority of the Indians enfranchised during the past few years have been enfranchised under section 114 of the present act rather than section 110. Under section 114 Indians are enfranchised who live and make their living away from the reserve. Section 110 refers more to the enfranchisement of Indians living on the reserve.

Mr. MACKENZIE (Vancouver): Will the minister give the total number of Indians enfranchised in the dominion?

Mr. MURPHY: The figures I have given for the ten year period comprise all those enfranchised during those years. When an Indian is enfranchised his wife and minor children are enfranchised automatically. If he has children over the age of twenty-one it is necessary for them to be enfranchised of themselves.

Mr. BRADETTE: I understand under the electoral act, at least as far as northern Ontario is concerned, only Indians who are war veterans have the right to vote. I believe the law should be uniform throughout Canada for all Indians. I have in mind that during the last general election a party organizer for one of the great parties in Canada sent a letter to one of the candidates to the effect that a certain number of Indians should vote because they were good Conservatives. He was certain of that. We want to do away with that. I do not believe that any man in Canada should say who has a right to vote and who has not. That right is vested in this parliament, and we should have a uniform law that applies to the whole of Canada. I know this anomaly has existed in my section of the country and also in other sections. I protest as strenuously as I can against such a measure. I believe that under the electoral act only Indians who enlisted during the great war have a right to vote. Under this act it is going to be left to one or two men to decide what Indians shall have that right. I protest against that. Either it should be general, that an Indian has the right to vote no matter where he lives, or else no Indian should be allowed to vote. I speak feelingly in this matter, because I know the electoral act is not properly applied, in my section of the country at least, and this would only create another gap which will allow some men, perhaps competent men, in most cases honest men, but in some cases subject to political influence, to pick out certain people to whom the right to vote would be given, and keep it from others. I say this law should be uniform for all Indians. No body of men in Canada, no matter how able they may be, should be given the power to say whether or not an Indian is entitled to vote. We know what happened at the last general election, and so far as I am concerned I do not want the same thing to happen again.

Mr. MURPHY: As I understood my hon. friend, he was making some complaint with regard to the voting system. This section merely provides for the enfranchisement of the Indians, and not for the actual voting.

It would appear to me that the amendment suggested by my hon. friend, which I could not hear distinctly, has reference to the electoral act rather than to the Indian Act, which only provides for enfranchisement.

Mr. BRADETTE: I believe the two questions of enfranchisement and voting cannot be separated. What I had in mind was this: Under the present electoral act and the Indian Act, even at the last general election certain men were allowed to say whether or not certain Indians should vote. That is why I am protesting now. Once the Indians become enfranchised under this act they have the right to vote; if they have not the franchise they have not the right to vote. I maintain that the law should be uniform with regard to the Indians, as it is for the white men. Under this statute there will be no uniformity for the simple reason that you leave it to two or three men to decide what Indians shall vote. They may be quite competent men, but certainly they should not have the right to give the franchise to certain people only. That right is vested in this parliament, and I am afraid that the same things that took place during previous elections will happen again under this amendment. I think there should be a uniform law applying to all the Indians throughout Canada, and I do not believe any body of men should be given power to pick out certain Indians who may become enfranchised and have the right to vote.

I make this protest very sincerely for the sake of the good name of our elections. People should know exactly where they stand. If the minister would like me to do so I could give him some correspondence that came into my hands accidentally. In the town of Mattice, near Hearst, which the Minister of Labour knows quite well, a certain number of Indians spend the summer months. During the last general election I came into possession of a certain letter giving information to my opponent. I do not know who wrote the letter, whether or not it was the agent of the department, but this letter singled out a certain number of Indians who should be allowed to vote because they were good Conservatives and a certain number of Indians who should not be allowed to vote because they were good Grits. I want to see these uncertainties done away with, but I believe we will only continue that system by this amendment. I believe each Indian should know exactly where he stands when an election comes along, and I repeat that you cannot separate the franchise and the right to vote. I appeal to the sense of justice of the minister and the government; I ask them to bring in a uniform law in this connection. This is the time and place to do it; it is only justice and British fair play to all concerned.

[Mr. Murphy.]

Mr. MERCIER (St. Henri): What qualifications are necessary before an Indian can become enfranchised?

Mr. MURPHY: The general qualification would be the judgment of those who examine the Indian as to his fitness to be enfranchised. Frequently an Indian who does not live on a reserve applies of his own volition to be enfranchised. Upon receipt of the application reports are asked from the agent and other responsible people in the district as to the fitness of this particular Indian to be enfranchised, and after the reports are received and passed upon by the department a recommendation is made to the governor general in council. A number of Indians have been enfranchised in recent years; I gave the figures a moment ago. Practically all these Indians came under section 114, which provides for the enfranchisement of those living off a reserve. Section 110, which we propose to amend, refers more particularly to those now residing or who may hereafter reside upon a reserve. I do not think I can make it any plainer than that.

Mr. ELLIOTT: For what purpose is the enfranchisement referred to in section 110? At what elections does it entitle the Indian to vote? Surely it does not refer to the right to vote at a dominion election, for instance?

Mr. MURPHY: It has nothing to do with the right to vote; it enfranchises the Indian and makes him a citizen of this country, with all the rights and privileges that go with citizenship.

Mr. ELLIOTT: Under the electoral act certain Indians only are entitled to vote at dominion elections. Do I understand the minister to mean that if the Indian is enfranchised, either under section 110 or section 114, he thereby becomes entitled to be added to the list that is already provided for under the Dominion Elections Act?

Mr. MURPHY: Yes.

Mr. VALLANCE: May I ask the minister where the demand came from for this amendment? Did it come from the Indians on the reserves? Was it suggested by the department, or where did the suggestion come from?

Mr. MURPHY: Whatever merit there may be in the measure is not for me to say, but

the amendment originated with myself. The amendment before us was drafted within the department, by and with the advice of the officials.

Mr. VALLANCE: Was there any demand from the Indians living on reserves to have this tribunal set up in this manner?

Mr. MURPHY: No.

Mr. VALLANCE: Were the Indians consulted at all?

Mr. MURPHY: A similar amendment was passed in 1920, when a committee of the house sat upon the matter and the Indians and all interested parties were represented.

Mr. VALLANCE: Here in Ottawa?

Mr. MURPHY: Yes.

Mr. VALLANCE: Were the Indians represented here at that time?

Mr. MURPHY: They appeared before the committee, yes.

Mr. McGIBBON: I compliment the minister on this provision because for many years there has been a considerable demand from the Indians for enfranchisement, As I said the other day, there is no reason at all for fixing the colour line with respect to the right to vote. Must the Indian apply separately and specifically, or will the minister hold an investigation into his capability of exercising the franchise?

Mr. MURPHY: The proposed amendment reads:

> The Superintendent General may appoint a board to consist of two officers of the department and a member of the band, to which the Indian or Indians under investigation belongs, to make inquiry and report as to the fitness of any Indian or Indians to be enfranchised.

I would take it that a separate board would not be appointed for every indivdual Indian, although if an Indian made application, or it was decided to investigate his fitness, a board might be appointed for that purpose. But that same board could pass upon the fitness of more than one Indian at the time the sittings were held.

Mr. McGIBBON: I do not think the minister caught my question. Would this board be competent to go into the band and examine all the Indians there, or will the individual have to make separate application to be enfranchised?

Mr. MURPHY: It would depend upon the instructions given the board. If the Superintendent General instructed the board to make a general investigation of the Indians of the band, it would be within the competence of the board to do so.

Mr. ELLIOTT: How does this affect the liability of the Indian for debt under the Indian Act? Suppose execution is recovered against the Indian; it does not become effective, so long as he remains a member of the band, as against any property on the reserve. Does this affect him when he becomes enfranchised? Does he then take all the rights and privileges of the ordinary citizen and lose the privilege that he formerly had of exemption from having his goods seized under execution?

Mr. MURPHY: After he became enfranchised he would certainly be in the same position as any other citizen of Canada.

Mr. CASGRAIN: Even if he lived on the reserve?

Mr. MURPHY: Whether on or off the reserve, he has become enfranchised and is then subject to the laws of the country the same as any white man.

Mr. MACKENZIE (Vancouver): I understand that the franchise, the power to vote, is conferred in the first instance on Indians who served overseas in the Great war and, in the second place, there is enfranchisement through the procedure established in this act which is now being modified. As I understand the amendment at present before us, it is only to eliminate the initiative from the council of the band and to leave that initiative with the minister himself in relation to the board. Am I correct in my interpretation of the section?

Mr. MURPHY: Yes; it gives the Superintendent General the power to initiate the proceedings.

Mr. MACKENZIE (Vancouver): Without consulting the band or the council?

Mr. MURPHY: The council must be consulted because they have the power to appoint one member of the board.

Mr. GUTHRIE: As regards an Indian who continues to live on the reserve after enfranchisement, the land which he occupies is taken out of the reserve and becomes his private property, subject to taxation. He has all the civil rights of any other British subject and is similarly liable to be sued. Enfranchisement as understood in this act has no reference to the right to vote; it means

enfranchising the Indian in his right as a citizen. If any question as to the right to vote is raised, it will be more proper to raise it as an amendment to the election act than by way of amendment to the Indian Act.

Mr. McINTOSH: I notice in the bill we are considering that the board of investigation is largely a departmental board. There are two representatives from the department to inquire into the fitness of any Indian to vote, and these representatives in many cases are thousands of miles away from the Indian reserve. If we are going to make this a real board competent to investigate the fitness of the Indian to vote, I submit that the head of the band should be on the board together with one man from the department and one representative selected from the community in which the reserve is situated. If that were done you would have a representative body of opinion on a question of great importance to the Indians.

Mr. MURPHY: The amendment provides that the Superintendent General may appoint a board to consist of two officers of the department. It does not necessarily follow that these two officers will be located in Ottawa. We have agents and inspectors throughout Canada and it would be quite competent for the Superintendent General to appoint an inspector and an agent, or two agents, as representatives of the department on the board.

Mr. McINTOSH: That is a little better, but it is more than likely that one of the men whom the department might appoint would reside, in the case of Saskatchewan, in Regina, and that is about as bad as if he were living in Ottawa. My point is this. If you appointed an Indian agent as a member of the board you would still be under a disadvantage in getting the considered community opinion regarding the fitness of the Indian to vote.

Mr. MURPHY: The members to be appointed could be the agent and inspector in that province, and the inspector is continually making his tours of the reserves in the province and is therefore quite familiar with the conditions as they exist. Furthermore, the boundaries of many of the reserves especially in the west are fairly close together, and two agents living side by side might constitute the board. When I say side by side I mean in contiguous territory. It would therefore be perfectly competent for them to pass upon the fitness of the Indian for enfranchisement, considering the case in conjunction with the Indian who is nominated by the council of the particular band.

[Mr. Guthrie.]

Mr. VALLANCE: This provision which we are now considering proposes, as the minister has pointed out, that the Superintendent General may appoint a board to consist of two officers of the department and a member of the band to which the Indian belongs, to make inquiry and report as to his fitness to be enfranchised. What section of the act permits the Indian to make application for this body to investigate, or is that right vested in these officials, together with the Indian chosen from the band? Have they the right to pick out the Indian who is to be investigated?

Mr. MURPHY: An Indian on the reserve might himself desire enfranchisement and there is nothing to preclude his making application if he sees fit—

Mr. VALLANCE: Suppose he did not want to?

Mr. MURPHY: —in which case the board would act exactly in the same manner as it would if the Superintendent General were to direct an investigation to be made.

Mr. VALLANCE: Is there any particular section of the act that instructs the Indian to take such action?

Mr. MURPHY: The present section 110 which we are amending makes provision in that regard. We are only substituting this amendment for one subsection of section 110, which comprises thirteen subsections.

Mr. VALLANCE: I would ask another question prompted by the reply given by the Minister of Justice a few moments ago. I think I understood the Minister of Justice (Mr. Guthrie) to state that an Indian living on a reserve who applies for and obtains his enfranchisement would have his land taken out of the reserve and become a regular citizen of Canada.

Mr. MURPHY: Provided he has a location upon the reserve.

Mr. VALLANCE: And if he has not?

Mr. MURPHY: Subsection 8 of section 110 reads:

> Upon the issue of an order of enfranchisement the Superintendent General shall, if any Indian enfranchised holds any land on a reserve, cause letters patent to be issued to such Indian for such land; and such Indian shall pay to the funds of the band such amount per acre for the land he holds as the Superintendent General considers to be the value of the common interest of the band in such land, and such payments shall be a charge against the share of such Indian in the funds of the band.

Mr. VALLANCE: Does that apply to both treaty and non-treaty Indians, and would the Indian then be entitled to vote?

Mr. MURPHY: I would say that no distinction is made in the act between treaty and non-treaty Indians; it simply says "Indian."

Mr. VALLANCE: The act defines the responsibilities of treaty and non-treaty Indians. I do not want to appear to be telling the minister something which he perhaps ought to know regarding his own department. I think there is a vast difference in what is expected by the state from a treaty and a non-treaty Indian. They are not in the same category; the one is a ward of the state while the other is not.

Mr. IRVINE: I cannot see any difference between section 110 as amended by this bill and the latter part of the original section. I should like to know why the first part of the section which provides for an Indian making application has been dropped?

Mr. MURPHY: Under the present act there must be voluntary action by the Indian in making application while under the proposed amendment the initial proceedings might be started by the Superintendent General.

Mr. VALLANCE: Is the minister in a position to answer the questions I asked? I do not ask these in order to embarrass him.

Mr. MURPHY: Both the treaty and non-treaty Indian is mentioned in the act, but my opinion is that the term is used in this section in the generic sense and means all Indians. I do not think it is circumscribed in any way by the definition of a non-treaty Indian.

Mr. VALLANCE: According to the interpretation given by the Minister of Justice, all we are dealing with is the treaty Indian living upon the reserve. When that Indian applies for enfranchisement and receives it he is no longer a treaty Indian entitled to the privileges of a ward. He cannot have both.

Mr. MURPHY: Quite so.

Mr. VALLANCE: Under this bill you are permitting the treaty Indian to come out from under the treaty and assume all the responsibilities of citizenship?

Mr. MURPHY: Yes.

Mr. VALLANCE: The note in connection with section 7 reads:

> This subsection is designed to give the necessary impetus to carry out the ultimate aims and objects of the policy which has governed the administration of Indian affairs.

What impetus is being referred to?

Mr. MURPHY: Through the years the Canadian people have recognized their responsibilities for the welfare of the Indians of this country. In furtherance of that recognition they have spent vast sums of money in order to raise the status of the Indian. In cooperation with the churches they have established a very comprehensive educational system comprising both residential and day schools. They have also provided medical and hospitalization services for the Indian and have spent large sums of money, notably in the west, in order to make the Indian self supporting upon our agricultural lands. This constant endeavour throughout the years to raise the status of the Indian has been for what purpose? What has been the ultimate object in view in the expenditure of these moneys and the providing of these services for the Indian? It has been to raise the Indian to full status where he can take his place as a citizen of Canada. I believe this policy is the correct one but so far we have failed to take that final step which, in my opinion, should be taken, namely, to make the Indian a full citizen of this country when he has obtained that degree of advancement which entitles him to the full responsibilities and privileges of citizenship.

Mr. BROWN: Let us grant that what the minister has said is correct, but I want to point again to the proposed amendment as it compares with the original subsection. If I understand the minister aright he says that the real difference is that in the one case the action depended upon the volition of the Indian whereas under the proposed amendment this action may be taken by the department without consultation with the Indian. If I am correct in my interpretation, then I think it very essential that this distinction be drawn to the attention of the committee. Does the minister think that an Indian who has not had sufficient initiative to ask for enfranchisement is worthy of being enfranchised? Does he think that an Indian would be capable of exercising the rights of citizenship when he has not been willing to take the steps to attain that end? If this change is made the power will be given to departmental officials to enfranchise Indians at a

wholesale rate irrespective of the qualifications of the Indians and perhaps irrespective of their desire. At any rate, it would be apart altogether from their own volition.

Mr. DONNELLY: It is urged that this amendment is being made because the time has come when the Indian should be made a citizen. Is it not rather fathered by the thought of the $400, $500 or $600 band money for each Indian and is he not anxious to become enfranchised because at the expiration of two years he receives his franchise and gets this money; he is anxious to get it into his hands. Am I not correct in saying this is the reason for his wanting to become enfranchised?

Mr. MURPHY: I would say that the opposite is the case, because the Indians who are living on the reserves at this time have not over the years made application to become enfranchised although they would be entitled to their share in the funds of the band to which they belong. Applications that have been made for enfranchisement have generally been from those who are not living on the reserves, but who have gone out into the cities, towns and other localities and are there making their living in competition with the white man.

Mr. BRADETTE: I am in absolute agreement with the hon. member for Muskoka-Ontario (Mr. McGibbon), when he says that we should give the Indians universal suffrage. I believe the Minister of Justice was answering the hon. member for Muskoka-Ontario when he said that we were dealing with the electoral act. This measure is in conflict with the electoral act. We are going to take a certain portion of the population and decide, apart from the provisions of that act, whether they shall have the vote. In extending this franchise, we can extend it only to federal elections; we cannot give it for provincial or municipal elections, so that there again there will be a conflict with the municipalities and provinces. In my opinion, we should therefore leave aside this part of the act, the present section 110, because the Minister of Justice has said that in dealing with the matter we are dealing with the electoral act and it is not fair for any parliament to pass legislation picking out a certain section of the population and deciding whether they shall have the right to vote.

I agreed with the Minister of Justice when he said in answer to the hon. member for Muskoka-Ontario that so far as this parliament was concerned we could not give the Indian universal suffrage except through the electoral act. I believe this section should be withdrawn now. Although I have no treaty Indians in my section, there are conflicts so far as the Indian vote is concerned. Some of them do not know whether they have the right to vote or not. Whether the law is not well enough defined or not or universal enough is up to parliament to judge, but I believe if you create a body from the Indian department that will have power to extend the right to vote, you are going to cause still more conflict. We should let parliament decide the matter through the electoral act. From personal experience I belive it would be better either to enfranchise all Indians or to have all disenfranchised. The situation is confusing and even the chief electoral officer does not know in certain cases how to apply the act because it comes into conflict with the electoral act. I make this appeal very sincerely to the minister.

Mr. GUTHRIE: I think that what I have said has been misapprehended. This section we now propose to amend has been on the statute book for at least ten years and the amendment now proposed does not affect the right to use the electoral franchise one way or the other; we are not going to change the law in that respect. The only change that is proposed is as regards the manner in which an Indian shall apply for enfranchisement. Under the old section 110, subsection one, the Indian made the application. Now it is proposed by the amendment that the superintendent may make the application.

Some hon. MEMBERS: Why?

Mr. GUTHRIE: I thought that had been very well explained.

Mr. CASGRAIN: No.

Mr. GUTHRIE: If it has not been, it will be. The other point that seems to have caused some trouble is whether it applied to all Indians. The section does apply to all Indians, treaty and non-treaty. My hon. friend will see that the section refers to an Indian and in the interpretation clause an Indian is defined:

1. Any male person of Indian blood reputed to belong to a particular band.
2. Any child of such person.
3. Any woman who is or was lawfully married to such person.

A non-treaty Indian is also defined:

"Non-treaty Indian" means any person of Indian blood who is reputed to belong to an irregular band, or who follows the Indian mode of life, even if such person is only a temporary resident in Canada.

Then an irregular band is described and defined:

"Irregular band" means any tribe, band or body of persons of Indian blood who own no interest in any reserve or lands of which the legal title is vested in the crown, who possess no common fund managed by the government of Canada, and who have not had any treaty relations with the crown.

Section 110, as it has been upon the statute book for at least ten years, provides that any of these persons may under certain conditions become enfranchised. Enfranchisement confers upon them all the rights of a British subject; they may even buy and sell liquor. The right to the electoral franchise is only one of those rights. What I intended to convey in what I said before was that if this is meant to limit the right given, any amendment in that respect should be made to the Dominion Elections Act and not to the Indian Act. I do not know that any amendment to the Dominion Elections Act is necessary, but such an amendment should certainly not be made to the Indian Act. This enfranchisement covers all the rights of a British subject.

Mr. BROWN: Why is this change being made? It seems that its only effect is to take the responsibility away from the Indian and throw it into the hands of the officer.

Mr. MURPHY: A few moments ago I endeavoured to make plain the reason for the proposed amendment. There are in Canada to-day I would say a considerable number of Indians who have so far progressed that they should accept all the duties of citizenship.

Mr. CASGRAIN: Then let them ask for it.

Mr. MURPHY: My hon. friend says: "Then let them ask for it." Let me point out, as has been done already, that under the Indian Act these people who are classed as Indians have certain rights and privileges, for instance, in regard to their debts, as the hon. member for Laprairie-Napierville (Mr. Dupuis) indicated the other day. Recently in an indirect manner there came to my attention an instance where an Indian was carrying on a considerable manufacturing business in this country. He was assessed by the Department of Inland Revenue for the sum of $4,000 sales tax, which he paid. Later he secured the services of a legal firm who endeavoured to recover that amount of money from the department, on the ground that he was an Indian and carrying on his business on an Indian reserve. I leave it to the good sense of the committee to decide whether or not a man capable of carrying on business to the extent I have indicated, namely to the point where he becomes liable for a $4,000 sales tax, should accept his responsibility as a Canadian citizen.

Mr. MERCIER (St. Henri): Was a judgment rendered?

Mr. MURPHY: I cannot say that, because I did not follow the case that far; in fact I am not certain as to whether or not a decision has been given. Further, may I point out that many Indians, so-called, have a greater proportion of white blood than Indian blood in their veins; yet they are still classed as Indians. Further, in some cases white children have been adopted by Indians and have become members of the band, thereby enjoying all the rights and privileges, if we wish to term them so, enjoyed by Indians. There might not be—and I believe, sometimes is not—one drop of Indian blood in their veins. Still they have all the privileges accorded to them under the Indian Act.

Again, there are Indians of mixed blood who have left the reserves and gone to Montreal, Toronto or other Canadian cities and taken their places in the community in every respect, with the one exception that they do not exercise the right of voting. Possibly they cannot buy liquor legally. But for all other purposes they meet their white brothers on common ground, and compete with them. Then, there are many Indians to-day in Canada who belong to professions, and are as clever and brainy men as can be found anywhere. Is it reasonable that these people should not accept their full responsibility as citizens, rather than claim the privileges which are accorded to them because they have not seen fit to make application to become enfranchised.

Mr. MALCOLM: I believe the minister has succeeded in making clear the desire of the department. I take it from what he has said, and hope I am correct in my interpretation, that the department's desire to make the change by which it could enfranchise an Indian without receiving first a request to be enfranchised, as was provided under the old section, is because the department has found that certain Indians are evading their responsibilities as citizens, so far as their legal obligations are concerned. I should like to know whether it would be the intention of the department to go to a band which is not asking for enfranchisement, and enfranchise the Indians belonging to that band. Could the department take that action forcibly, and without first receiving a request from the Indians, in cases where there have been no violations of their rights as citizens?

Mr. MURPHY: I take it, Mr. Chairman, that any minister charged with the admintration of the department would have to make that decision, after considering all the circumstances.

Mr. MALCOLM: To my mind that seems to be the important point.

Mr. MURPHY: But I would say that before taking such action the minister responsible would have to consider all factors. For the information of the hon. member who has just spoken may I refer to subsection 3 of clause 110 which reads as follows:

> In the course of such inquiry it shall be the duty of the board to take into consideration and report upon the attitude of any such Indian towards his enfranchisement which attitude shall be a factor in determining the question of fitness.

I do not anticipate it would be the desire of the department, or any responsible minister, to enforce enfranchisement against any great objection by a band of Indians.

Mr. MACKENZIE (Vancouver): But you could do it under the section?

Mr. MURPHY: Yes, it could be done.

Mr. MALCOLM: I should like to say—and I believe the hon. member for Muskoka-Ontario will agree with me—that the Indians themselves have a very strong desire for the franchise. On many occasions they have expressed their desire to candidates of both political parties. They urge that they are the first native Canadian citizens, and that the rest of us have descended from people who came to this country as foreigners. The Indians are the native Canadians. Regardless of the fact that the federal government has made a treaty with them to give them certain treaty moneys, and in that treaty have agreed that the Indians may fish and hunt so long as grass grows and water flows, and has agreed to give them ownership of certain lands—regardless of all that they believe they have the right to vote, and still receive the privileges under the treaty.

I believe the minister's point is well taken when he refers to Indians who leave reserves, who engage in business and try to avoid payment of taxes which might arise in the course of that business. I think the point is reasonably well taken that the department might say to him, "We maintain the right to state that you are a Canadian citizen and subject to the laws of Canada with regard to taxation." That ground may be well taken; but under the old act, as the minister so ably said, the Indians have always had the privilege of applying for citizenship. If their applications are accepted they have to accept the obligations to which an ordinary citizen is subjected with regard to debts. The minister has pointed out that when they receive citizenship the land on the reserves which they have been holding is transferred to them in fee simple, they in turn incurring certain obligations to the band for the value of the land. The minute that becomes possible, the decision must be made whether the Indian can then sell the land to some white person who is not now on a reserve, or who may be objectionable to the other Indians at that point.

While the minister's point may be well taken, I do not think the Superintendent General of Indian Affairs or any other departmental official should have a right to go to a reserve and enforce enfranchisement of Indians who have not requested it, take away from them privileges they have enjoyed under the Indian Act, and place greater responsibilities upon them. I believe the position the Indians take—and I am referring to those bands in Ontario who are cultured, have good education and are farming intelligently, as obtains on some reserves with which I am familiar—that they have a right to vote at elections and still retain their Indian privileges, is a well founded claim. I submit suggestions made by the hon. member for North Timiskaming are well founded, and we would be wise to consider under the election act whether or not we might let the privilege of voting accrue to the Indians, without any reservation as to their civil rights.

I point out to the minister that, as every hon. member knows some of our Ontario bands sent practically every able bodied man to France. Of course those men were rewarded with the franchise, without incurring the responsibilities to which the minister has referred. How can we differentiate between the sons of those men who went overseas, and the fathers? They are the same type of Canadian citizens. Their fathers were enfranchised, and the boys who have now reached voting age cannot see why they should be deprived of that privilege. I place myself on record, with the hon. member for Muskoka-Ontario, and the hon. member for North Timiskaming, in saying that we would be well advised to consider favourably giving to all the native Canadians who are called Indians the franchise for general elections.

Mr. STEWART (Edmonton): I am afraid I will have to disagree with my good friend who has just spoken. Having had some experience in administering Indian affairs I see great difficulties that the minister would encounter if he tried to enfranchise the

Indians holus-bolus and leave them with the rights they possess under the Indian Act, because under that act they are wards of the government of Canada and possess a great many rights. Enfranchisement would give the Indian every right of a Canadian citizen, but then he could be no longer a ward of the government.

Mr. MURPHY: And at the same time every responsibility.

Mr. STEWART (Edmonton): Oh, absolutely. He becomes a Canadian citizen in the fullest sense of the word. But as a ward of the government he can call upon the government for a great many privileges. For example the education of the Indians is pretty much the responsibility of the government. The Indian does not pay taxes, except such as he imposes on himself for the purposes of the reserve or the band. All these things have to be taken into consideration. Up to date enfranchisement has only taken place at the express desire of the Indian and with the consent of the band. All my hon. friend is attempting to do is to say he does not require that the Indian shall make application, but if he finds, after representation has been made, that any certain Indian would be better enfranchised for various reasons, which he has enumerated, then he does not have to go through the process provided under section 110. All he has to do is to appoint a board consisting of two officers of the department and a member of the band. I am not just clear if the minister stated that this member of the band would be the appointee of the council. If that is true then the council would have some say, but his amendment does not so state. That selection is made by himself, and those three decide whether or not a particular Indian is to be enfranchised. If they recommend his enfranchisement, undoubtedly it will take place. Where I see difficulty is in the adjustment that will have to take place between the individual Indian who is enfranchised and the band and band council, with respect to his property held in common with the rest of the band. Under section 110 as it existed that was all taken care of.

Mr. MURPHY: It is yet.

Mr. STEWART (Edmonton): Then I do not see it. I would be glad to have that explained.

Mr. MURPHY: We are not altering that in the slightest. The same conditions will apply if he becomes enfranchised under this amendment.

Mr. STEWART (Edmonton): Suppose the band refuse to act, what is going to happen? Suppose the band or the council of the band have not been consulted: a recommendation is made by the board that a particular Indian be enfranchised. If my hon. friend is correct and this third member of the board, the Indian member, is the nominee of the council, then it would be assumed that the council were consenting parties?

Mr. MURPHY: Yes.

Mr. STEWART (Edmonton): But I do not see that that is provided for in the section as drafted.

Mr. MURPHY: Yes, under subsection 2 of section 110, which reads as follows:

> The Indian member of the board shall be nominated by the council of the band, within thirty days after the date of notice having been given to the council, and in default of such nomination, the appointment shall be made by the Superintendent General.

Mr. VALLANCE: Are we then to come to this conclusion, that if a band of Indians do not want to avail themselves of subsection 7 of section 110 they are now going to be or may be forced by the department, to nominate this representative on the board, and if they do not nominate, then the department itself nominates an Indian whether he wants to sit or not?

Mr. MURPHY: That is the act as at present in force, and as it has been for some ten years.

Mr. VALLANCE: Yes, but the minister forgets that he is now giving power to this board to nominate someone who must come before themselves. That is what we object to. Coming as I do from the ancient seat of Battleford where there are many Indians, naturally I am interested in them, and I cannot conceive of an Indian suggesting to the minister, and I cannot see where the minister in his travels ever got the suggestion, that the Indians wanted to be forced into the position that he is trying to put them in. I have learned to-day that the Indian, when he becomes enfranchised, as a treaty Indian loses his treaty rights. What is to hinder the department from enfranchising all Indians and taking away their treaty and all the privileges they have, whether they like it or not?

Mr. MURPHY: I think any responsible minister charged with the administration of the Indian Act, if he is a fit and proper person to administer the affairs of that department would never have such an idea in his mind as to force enfranchisement upon a body of Indians who were not fit for enfranchisement.

Mr. VALLANCE: That is the thing we are trying to prevent. Why should the minister be given that power?

Mr. MURPHY: For the reasons I endeavoured to give to the committee a few minutes ago, when I pointed out why this amendment is being asked for; simply because there are many Indians in Canada to-day who should accept full responsibility of citizenship, and are not doing so because of the privileges they enjoy by being classed as Indians.

Mr. VALLANCE: Then may I suggest, in order to take care of that individual, why can we not state in the act that when an Indian reaches a certain position he then must automatically become enfranchised?

Mr. MURPHY: That is exactly what this board is provided to determine.

Mr. VALLANCE: This board may go into the Poundmaker reserve and take twenty or thirty or fifty Indians or take none at all. They can pick whom they like. You have a board consisting of two men who are officials of the department with the possibility, as my hon. friend from Vancouver Centre (Mr. Mackenzie) says, of three appointed by the department, to force this on the Indian.

Mr. MURPHY: Not three members from the department.

Mr. VALLANCE: No, but you are going to have two, and another nominated by the department if the band does not choose one. I have had so much to do with the Indians and the problems facing the Indians in the disposition of the moneys that the Indian rightly thinks belong to him that I cannot conceive of the Indians as I know them even suggesting to the minister that this amendment be placed in the act.

Mr. McGIBBON: I think probably some of us have a different viewpoint.

Mr. VALLANCE: You have different Indians, that is the trouble.

Mr. McGIBBON: That is just what I was going to say. The Indians in my riding I think are probably ninety-nine per cent capable of conducting their business or exercising the franchise or anything else that the ordinary citizen of the community is capable of doing. I have some reason to believe, from conversation with others, that there are certain bands in the west and on the Pacific coast who have not that high intelligence and activity.

Mr. VALLANCE: No, it is not lack of intelligence, they are just as intelligent as your eastern Indians.

[Mr. Murphy.]

Mr. McGIBBON: I say that that is what I have been informed. But some reference has been made by the ex-Minister of the Interior to the fact that they are wards of the government and have certain privileges. I think you have to go behind that a little. They exercise certain privileges because the government of the day is under certain obligations to them. We took the country from them, and the government pays them moneys in compensation, which moneys are doled out to the Indian at about $5 a month, and in times like these they think it is not sufficient, and it is not. A family of five gets $5 a month from the government, and we must remember that in times like these they are not given relief. They are wards of the Dominion government, and they are not given relief by the municipalities. As I endeavoured to point out the other day they are handicapped even when they go into the labour market. A year ago, when we were furnishing relief in the form of labour, the Indians could not get work because they are wards of the nation, and the other people in the community thought the Dominion government should look after them.

Mr. VALLANCE: Will this amendment to the act make it any easier for the Indians?

Mr. McGIBBON: I think so. I can only speak for my own district, but I think you will find that all the Indians in the constituency I represent will apply for enfranchisement right away.

Mr. NEILL: Why have they not done so before now?

Mr. McGIBBON: Perhaps it is a matter of education; perhaps they did not know they were entitled to do so. Really I cannot see any objection to the amendment. I think there should be an intelligence test, and I believe it should apply to others than Indians

Mr. POWER: To members of parliament.

Mr. McGIBBON: Perhaps. The colour line should not be the line of distinction; that is my point. There should be an intelligence test, and if an Indian is sufficiently capable and intelligent why should he not be given the right to vote and why should he not be liable for any debts he may contract? Why not give him the full power of citizenship, as the Minister of Justice said; why not allow him to sell and buy things, even liquor if he wants it? I think this legislation is along the right line, and I believe it should pass.

Mr. VALLANCE: Is this another case of the iron heel?

Mr. NEILL: I think compulsory naturalization is a very dangerous thing, if that is what this amendment means. The minister admitted with some diffidence that this act will give him the power to enfranchise any Indian, and he explained the need for this power by pointing out cases of men who were in business. As the hon. member for North Bruce said, there would be no objection if the minister took that power only in regard to such people, but in answer to the hon. member the minister also said that he could apply it to entire bands if he so desired. When he was asked if he would apply it to Indians who did not want it he said their vigorous opposition would be taken into consideration. If the minister makes that statement in this house in view of the criticism which has been offered, it is quite evident that he realizes what is the fact, that he has absolute power to go out on a roving commission and enfranchise whom he likes. To quote scripture:

Whom he would he slew; and whom he would he kept alive.

Let us look at it from another point of view, a parallel case. There are a great many people in this country who are qualified for citizenship but who, for various reasons, do not avail themselves of that privilege. It would be a parallel case if we compelled these foreigners to become naturalized. If we can compel an Indian to become naturalized if that is the correct word, why should we not compel a Ukrainian or any other foreigner to accept the same responsibilities?

Mr. McGIBBON: They are responsible for their debts now.

Mr. NEIL: I am speaking of exercising the rights and privileges of citizens.

Mr. McGIBBON: They have most of the rights and privileges also.

Mr. NEIL: We talk largely of the advantages of being a Canadian citizen. Will we be proud to be associated with people who have been forced to become citizens? What will we think of the mental calibre and value of a citizen upon whom that privilege has been forced? This is a serious step to take, but if we do it in the one case we may be asked to do it in the other as well. Why not simply take this power in cases which can be enumerated in another subsection, covering those men who are in business and who are exercising all the privileges of a white man, and leaving out the members of the bands who are neither willing nor able to become naturalized?



Mr. GUTHRIE: I was going to suggest that we might frame a section permitting the Indian himself to apply for the franchise and another section to carry out the intent of this proposed amendment, giving the Superintendent General power in certain cases. That would allow the Indian to make application, and in cases where such application is not made the Superintendent General could make application on behalf of the Indian. If a double barrelled section of that kind would meet the situation I think one might be drafted.

Mr. POWER: May I point out that a great deal of the objection from this side of the house has been to the compulsory enfranchisement of the Indians. An Indian has certain rights and privileges to which he is entitled. We took his country, and we owe him something. We came here and took away everything he had, and the least we can do is give him and his descendants some compensation in return. We have a treaty with him now, and I do not believe this parliament has the right, in justice and in common decency, to confer on the minister any power whatever to alter the terms of that treaty unless the Indian wants that step to be taken. The Indian has inherited certain privileges; he has become a ward of the government. He is not allowed to vote, presumably on the principle that there should be no taxation without representation. We say to him, however, "So long as you do not vote and do not become an ordinary citizen we will allow you to carry on as a ward of the government." Are we going to force him to vote? Are we going to take away from him the privileges which he has acquired traditionally and historically? I do not think we should do so, and I do not think the amendment proposed by the Minister of Justice should be introduced.

Mr. NICHOLSON: Before touching on the question involved in the amendment I should like to be clear on one point mentioned by the Minister of Justice, in regard to who actually is an Indian. I think the minister stated that an Indian was one who belonged to a band or an irregular band or who followed the Indian mode of life.

Mr. ELLIOTT: That is a non-treaty Indian.

Mr. NICHOLSON: That is what I want to have clear. My interpretation of the act—and I have been associated with Indians for the last fifty years and know a great deal about them—has been that an Indian who

was a non-treaty Indian and did not follow the Indian mode of life was a citizen of Canada. I should like to be clear on that point.

In the country that has been referred to by my hon. friend from North Timiskaming there are two distinct tribes of Indians who have intermingled. As far as one can learn, originally the Ojibway band, a section of the Algonquin tribe, occupied the height of land and the country south of the height of land and north of the great lakes. The Cree Indians occupied the watershed of Hudson bay and James bay. The Cree Indians in the Hudson bay area were one of the last bands to become treaty Indians; I think some of them did so quite recently. Before they became treaty Indians, however, and before they were recognized by the department in any sense, hundreds of them migrated from the shores of Hudson bay to the line of the Transcontinental railway and further south to the lake shore, and from the day they came to that district, some fifty years ago, they no longer followed the mode of life of the Indian. They stepped right in beside the white man and became citizens of the country, building homes for themselves and taking positions in railroad service, as mechanics and so on. In the town in which I live there is an Indian community living in homes as good as my own. They run locomotives; they have become telegraph operators, machinists and so on. They never have been recognized as Indians in the ordinary sense, as migratory or bush Indians, as we term them, have been recognized. That brings me to the situation referred to by the hon. member for North Timiskaming, where there are two classes of Indians. One of these classes exercise the franchise, and they have always done so, because they have never been recognized as wards of the government. I go a step further. We have a large Indian school three miles from the town in which I live, where the children of treaty Indians are entitled to free education in keeping with an arrangement made throughout Canada with the different denominations of the churches to which the Indians happen to belong. Now, the children of these Cree Indians are not entitled to the privileges of that Indian school, but their parents pay taxes to the public or the separate school as the case may be and they attend the school wherever it is located.

What is the situation with regard to these people? The term "following the Indian mode of life" has been applied to them although they do not follow that mode of life. People commonly understand what that mode of life is; it means either that the Indians live on the reserve or that they are taking advantage of the privileges granted them to go hunting and fishing wherever they can. That is a point that should be definitely cleared up.

I come next to the question of the franchise. It is a fact that these Cree Indians have not for half a century followed the Indian mode of life but have lived after the manner of the white man, taking their position side by side with him and accepting all the responsibilities involved. One hon. gentleman referred to Indians who had gone overseas, and I believe I have stated in this house before that you could comb the country from the Mattawa river to the mountain line of Manitoba in 1917 and you could not find an adult Indian of military age and physically fit who had not volunteered to go overseas. But what is the situation when we come to enforce enfranchisement? The state is spending, to my personal knowledge, large sums of money on these Indian schools to train the boys and girls and fit them, not for the Indian mode of life but in order that they may, as their rights and privileges are taken away, and their opportunities disappear, step up alongside you or me or anyone else and take their position as Canadian citizens. But suppose they refuse to do this after all that has been done for them? I personally know of two girls who graduated from the Indian school in Chapleau. They were put through high school by the Indian department, through normal school by the Indian department, and they became qualified as school teachers, so that they are now teaching school in the southern part of Ontario in a settlement where all the children are white. Ultimately these young women will marry. There are men doing the same thing. In Chapleau, a young man, graduate of the Indian school and of the high school, takes a position in a bank or in a store or somewhere else. Should he not assume the responsibilities of citizenship when that has been done for him?

I know the Indians; at least I know two bands of Indians, having lived amongst them, and I know that they will be perfectly satisfied to allow their case to rest in the hands of the Indian department.

Mr. VALLANCE: No, they won't.

Mr. NICHOLSON: I speak only of those I know, and I have had a lot to do with them. All this talk about the Indian department setting up a tribunal that will go among the bands of Indians and take some family and say to them, "You must be enfranchised," is all rot in my opinion. I have had a good deal

to do with the Indian department, for I was a member of the commission that approached that department many years ago and made the joint arrangement under which these schools from one end of Canada to the other are being carried on. The interest of the Indian department in the Indians, and the sympathetic manner in which they have dealt and are dealing with these people, are in my judgment a guarantee as to whether the rights of the Indians will be transgressed or not in any part of Canada. But after all these things have been done for them, if they insist on accepting one position that has been provided and refuse the other, then the Indian department should be clothed with responsibility and should say to them, "Now that we have brought you to this stage you must accept your responsibilities." I think the Minister of Justice should make that point clear with regard to these people. I know from personal knowledge that hundreds of them for the last forty or fifty years have been following the ordinary life of the white man and have not lived as Indians in any sense whatever. I am not a lawyer but I understand that the statute makes reference to treaty Indians, Indians living on a reserve, members of a band of Indians, or an irregular band, or men and women following the Indian's mode of life. But these people have not been following that mode of life in this generation, and many did not do so in the last.

Mr. ELLIOTT: I wish to say a word or two in answer to some remarks made by my hon. friend (Mr. Nicholson). There is a clear distinction between the rights in this country of what is known as the non-treaty Indian and those of the Indian as defined by the Indian Act. The treaty Indian obtained his rights as a result of treaties which were made, by which the government of this country agreed, as my hon. friend from Quebec South said, to give to the Indian certain protection in return for what was taken away from him. The non-treaty Indian stands in a different class; he belongs to what is known as an irregular band. That is a band that does not hold lands under location ticket, which is the way Indians belonging to bands hold their lands in this country. The non-treaty Indian belongs to an irregular band which has no land, and he is known as an Indian largely by the fact that he follows the Indian mode of life. He may be only a temporary resident in Canada.

Personally I would not object to the amendment which has been proposed being made applicable to non-treaty Indians because the country does not owe them the same obligations that were imposed upon the government by the treaties with the treaty Indians. There is a clear distinction. It is a breach of faith if the government of this country goes back on the rights which the Indians thought they obtained under their treaty, not merely with respect to the privileges that have been referred to but with respect to what I regard as the greatest privilege of all which the Indian enjoys, namely, his privilege of being protected against the guile and cunning of the white man who makes certain deals with him that are not in his interest. That is why the Indian Act was drawn as it is. That is the reason that in this country we have not the right to issue execution against the lands of an Indian who is not a non-treaty Indian. Living on the border of a couple of reserves as I have done for many years, and knowing very intimately the difficulties in which the Indian becomes involved at the hands of the not-too-scrupulous white man, I say it is a grave breach of the fundamental principles that underlie the treaty between the representatives of the people of this country and the Indians if you compulsorily take out of that class people who have for generations had that protection and say to them, "We will now compel you to become ordinary citizens and, whether you want it or not, to accept the obligations and responsibilities of white people to whom we owe no obligation such as we owe to you under our treaties." Every hon. member who lives near the borders of a reserve knows that some very attractive lands have been set aside for the Indians. These lands are particularly attractive because of the waters which run through them or the timber or the grasses which grow upon them. These lands are a credit to the people who selected them for the Indians. Certain portions of these lands may be wanted for timber or for pasture. The protection which the Indian has had in the past will be taken away by this amendment. Previously no man could obtain a lease of any land from an Indian without first having it approved by the Indian department. I do not think the minister realized what he was doing by removing this safeguard from the Indian. It is proposed to give him this land in fee simple and not to have it held in trust by the government.

Mr. MURPHY: Enfranchisement will be given only after a proper investigation.

Mr. ELLIOTT: After it has been obtained in a way never hitherto intended.

Mr. MURPHY: Pardon me, a similar amendment was passed in 1920.

Mr. ELLIOTT: No.

Mr. MURPHY: I beg the hon. member's pardon, it was.

Mr. ELLIOTT: The minister does not get my point. This amendment contains for the first time the evil of which I complain. By it, an Indian can be compelled against his own will to be enfranchised and to be made liable to have his land and his chattels taken in execution. I ask the committee to listen to the provisions of the previous subsection, which reads:

> Upon the application of an Indian of any band, or upon the application of a band on a vote of a majority of the male members of such band of the full age of twenty-one years at a meeting or council thereof summoned for that purpose, according to the rules of the band and held in the presence of the Superintendent General or of an officer duly authorized to attend such council, by the governor in council or by the Superintendent General, a board may be appointed by the Superintendent General to consist of two officers of the department and a member of the band to which the Indian or Indians under investigation belongs, to make inquiry and report as to the fitness of any Indian or Indians to be enfranchised.

It is proposed that the following be substituted for that subsection:

> The Superintendent General may appoint a board to consist of two officers of the department and a member of the band to which the Indian or Indians under investigation belongs, to make inquiry and report as to the fitness of any Indian or Indians to be enfranchised.

The action would not be a voluntary one by the Indian, it would be compulsory and would be in violation of all treaties. The government would cease to be the protector of the Indian. He would be left at the mercy of crafty and designing people who wished to make contracts with him. It would be possible to obtain a judgment against an Indian which would have consequences which were not possible formerly. There has never been a time when the people need as much protection against sheriffs and executions. There has never been a time when the privileges enjoyed by our people, whether white people or Indians should be more carefully guarded than now. This action would be a terrible mistake and a breach of faith against this great body of people.

Many of the prizes given at the ploughing matches in western Ontario are won by Indian boys and by older Indians. These people are very capable in many ways but they are not so capable of taking care of themselves in the making of contracts. They should not be robbed of the protection that has been thrown round them for generations. In some cases they need to be protected from their own improvidence. I would follow the suggestion made by the Minister of Justice (Mr. Guthrie) to this extent, that this amendment should be limited to non-treaty Indians. We do not owe them the same obligation that we owe to the treaty Indians.



Mr. MURPHY: I do not think the Minister of Justice suggested that it should apply only to non-treaty Indians.

Mr. ELLIOTT: If the minister had been listening to me he would know that I did not suggest that the Minister of Justice made that statement. I am making a suggestion that it should be limited to non-treaty Indians because otherwise we would be guilty of a breach of the treaty. The Minister of Justice thought that a compromise might be arrived at and he suggested that they should be left the right to make application for enfranchisement and that there would also be the power in certain cases to compel them to accept enfranchisement. My suggestion is that the right of compelling enfranchisement should be limited to the non-treaty Indians. We should not go back on the obligations we undertook years ago to the ancestors of the present Indians.

Mr. MURPHY: The hon. member is in error when he makes the statement that this is the first time that such an amendment has been proposed.

Mr. ELLIOTT: If the minister will pardon me, I said that this subsection—

Mr. MURPHY: I did not interrupt my hon. friend and he should allow me to complete my remarks. He is in error when he says that this is the first time the proposal has been made to give this power to the Superintendent General and the department. This same amendment was passed in 1920 and it remained upon the statute books of this country for two years.

Mr. DUPUIS: Why was it withdrawn?

Mr. MURPHY: I do not know what motives actuated the minister at that time in taking that action. In order to make some progress and to meet the suggested amendment of the Minister of Justice, perhaps this section could stand for the time being.

Mr. MERCIER (St. Henri): How many Indians were enfranchised during the past two years?

Mr. MURPHY: I have not the figures for the last two years, I have them only for the last ten-year period. I do not think any

Indians were enfranchised during the last two years under this section; they were enfranchised under section 114, not under 110.

Mr. MERCIER (St. Henri): Is there a waiting list for the coming year?

Mr. MURPHY: There is not, under this section; there have been some applications made under section 114.

Mr. MOTHERWELL: I have in my constituency the first colony composed entirely of graduates of the various Indian schools throughout the west. This colony has made great advancement in agricultural pursuits during the past thirty years. The main grievance I have from the members of this colony, especially on behalf of the sons of returned men, is that they have not been able to be enfranchised fast enough. An hon. member referred to that and a real question arises there. The sons of men who fought in the war and whose fathers are enfranchised by reason of their war service, are now in a number of cases of age and yet cannot vote. That is something I should like to see dealt with more satisfactorily than under this blanket clause whereby the minister and his officers can, in a wholesale way, take young Indians and old, and, just before an election, manufacture a lot of votes.

Mr. CASGRAIN: Very dangerous.

Mr. MOTHERWELL: I am astonished at my hon. friends.

Some hon. MEMBERS: Oh, oh!

Mr. MOTHERWELL: This would be the restoration of methods that prevailed many years ago, but in Saskatchewan we find the chief Conservative organizer, not on the relief commission, but administering the act as manager. If hon. members want to know his name, it is C. B. Daniels and a capable officer, but before he got the position he was chief Tory organizer in southern Saskatchewan. So we are just a little afraid that Saskatchewan methods may meander down here and be invoked by this government. I would ask the minister not to put himself into that position, because I do not believe he wants to be put in it. That is exactly what may happen, however.

Another point is that these Indians who have been dispossessed of their property, by force if you like, but more humanely in Canada than in any other country, are going to be weaned at a time the most difficult I can remember to be put on their own. I have been telling these young men who are anxious to be enfranchised, that they are better off to-day than the white man. They have their schools near by, hospitals, medical services and an advisory foreman over them. They have every possible aid of which one can conceive. Now at this time when nobody can make a living on the farm, or at least nobody can pay his debts or replace his machinery, the government, under the guise of enfranchising these Indians, is going to shove them on their own wholesale. There must be some compelling force behind this enfranchisement conception under those inhuman conditions to which I have referred. I cannot conceive of any of them wanting the franchise on such terms as having to pay taxes and so on like the white man and hustling around under conditions that are very difficult, even though they do not start with any debts. I would ask my hon. friend not to have such terms embodied in this section. Let us give the young men as well as the old the right of initiative in making their own reforms. No individual can become a member of a band without the consent of its council. If an Indian from some other reserve wants to become a member of a band, he has to obtain the consent of the majority in it. When my hon. friend is looking into this matter, let him consider also the situation of the wives of these returned men. Nobody knows whether they have votes or not. In some places they vote; in others they do not. What about the wives of any of the Indians who are going to be enfranchised? Why should the franchise be confined to the males only? The Indian women are frequently better workers than the males.

Mr. CASGRAIN: They support the men.

Mr. MOTHERWELL: Of course. As the saying goes: The woman is the better man of the two. They certainly deserve as much recognition as do the males in regard to enfranchisement, and they are quite as capable of exercising it intelligently. I think the minister should leave the section as it is, that is, preserve the right of voluntary enfranchisement.

Mr. EULER: In the constituency which I represent there are no Indians, either treaty or otherwise, and I rise to say a few words only on behalf of what I regard as a very definite principle. The term "treaty Indians" has been used. That implies, to me at least, although I have no extensive knowledge of this particular subject, that some sort of contract has been made with those Indians. If such a contract has been made, surely it is

not right for one party to it to break it without the consent of the other, or, in other words, to treat it as a scrap of paper of which we heard so much in days gone by.

Moreover, I am constitutionally opposed to anything in the nature of compulsion. I do not like the thought that men shall become naturalized against their will. Further, if they have not a sufficient appreciation of the rights of the franchise, of citizenship, to make the application themselves, I doubt very much whether it is worth while to make them citizens. I would add this as a qualification: If you are going to do that, I see no reason, as the hon. member for Comox-Alberni has said, why you should make a distinction, naturalizing Indians because they are worthy of being citizens, intelligent, industrious, and should assume all the responsibilities as well as possess all the advantages of citizenship, and not apply the same rule in the case of foreigners who have been in this country for five years or more, who have all the qualifications of citizenship and who yet do not avail themselves of their right to become naturalized. I might even go so far as this, that as regards men from other countries, I do not care where they come from, from the white countries if you like, from the countries of Europe, who have made Canada their permanent home and who for some reason do not become naturalized, it ought to be brought to their attention that it is their duty to assume all the responsibilities of citizenship. I should not make naturalization difficult in cases of that kind. Perhaps I am going a little too far afield in saying that. Instead of making it difficult for these men to become naturalized if they are willing to become citizens, I would make it easy.

I rose more particularly to dwell upon what my deskmate said a moment or two ago. I do not ordinarily attribute sinister motives to anyone. I remember very well some seven or eight years ago when the Hon. Mr. Copp, who is now in the Senate, was Secretary of State and as such introduced an amendment to the Naturalization Act under which the Secretary of State was empowered to naturalize those who applied instead of the procedure before the judges as is the case at present. I recall what severe resistance was offered by our Conservative friends who were then in opposition. They gave as their reason that it would be very easy, just prior to an election, for a secretary of state, at the behest of a government that naturally wanted to be reelected, to naturalize these foreigners in shoals and hordes, in hundreds and thousands, knowing all the time they would vote in a way that would be advantageous to the government. I do not say that would be done in this case, but as my hon. friend to my right says, it becomes possible for a government so to act. The amendment was withdrawn. The only reason that has been given by the minister for the introduction of this amendment is that there are a few Indians who have refused to pay their just obligations and who have taken refuge behind their privileges. I would say to him: While that argument may be sound, I do not think it is of sufficient importance; I do not think the instances would be so numerous—I believe they would be very few—as to justify him in breaking a sacred treaty with those Indians.



Mr. MURPHY: A moment ago I asked that this clause might stand in order that the suggestion made by the Minister of Justice might be considered and we might make some progress. I have no desire to shut off discussion; further discussion may be had at the next sitting. Perhaps we would make greater progress with another clause.

The ACTING CHAIRMAN (Mr. Cowan, Port Arthur): Section 7 stands.

Mr. DUPUIS: May I ask the minister when this clause will be reconsidered.

Mr. MURPHY: On the next government day, when it is called or appears on the order paper.

Section stands.

Mr. MURPHY: I move that the committee rise, report progress and ask leave to sit again.

The ACTING CHAIRMAN (Mr. Cowan, Port Arthur): Shall I report progress?

Mr. DUPUIS: Before this motion is decided I should like to say a few words concerning it. I am afraid that this—

The ACTING CHAIRMAN (Mr. Cowan, Port Arthur): I suggest that the motion to report progress is not debatable.

Motion agreed to.

Progress reported.

## SUPPLY—INSPECTION OF CANNED SALMON

### STATEMENT OF MR. NEILL ON MOTION OF MR. GUTHRIE FOR COMMITTEE

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee of supply.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I wish to say a few words about a subject of considerable importance to the fishing industry of British Columbia. My remarks arise from the passing on the third day of this month of order in council No. 206. I should like to discuss the matter from two angles, first the ostensible reason put forward for its passage and then I should like to state what I believe to be the real and ulterior motive behind it.

Before doing that however I should like to deal with the method of introducing the order in council. Although it was passed on February 3, it was not gazetted until fifteen days later, namely on February 18. However the public was, so to speak, privately advised of it, and hon. members from British Columbia who were here at the seat of government had to get their information that the order in council had become law from the newspapers published in the west, which were sent to us from British Columbia. While the order in council is vital to the fishing interests, it was actually passed under the authority of the Meat and Canned Foods Act. A section of that act is devoted to fishing matters, and is under the control of the Minister of Fisheries. I suggest therefore that the responsibility for the passing of this order in council is his.

I should like to give three reasons why it should not have been introduced in that way. In the first place the matter to which I have reference should never have been introduced as an order in council. It was of sufficient importance to be introduced as a bill. We are all familiar with the law—I believe it is a law—that regulations under an act must be confined entirely to amplifying or carrying out the purposes of that act, and that it is ultra vires by way of order in council to introduce that which is practically a new law. We are told that any change of that kind must be brought about by means of a new act. Comment is often made by hon. members on both sides of the house that the party sitting opposite is merely rubber stamping the opinions of the government or of the opposition as the case may be. That may be so, but at least on such occasions we are rubber stamping opinions and policies decided either in a meeting of the cabinet, at a party caucus or at a convention. But there is another aspect in connection with which we are all equally guilty, and which constitutes a worse form of rubber stamping. The government brings a bill before the house under which it takes power to pass regulations; thereafter all our responsibility and control seems to disappear. We simply come here and find that the government has rubber stamped the views and opinions of one or two officials, that action has been taken in secrecy and without any publicity. If that is not rubber stamping carried to excess, I do not know what it is.

In 1932, about a year ago, there was a complete revision of the Fisheries Act. That matter was referred to the marine and fisheries committee, and under the chairmanship of the hon. member for Queens-Lunenburg (Mr. Ernst) good work was done. A considerable part of the work in that committee was merely that of revision. But in addition some new sections were introduced, passed and reported to the house. But not one of those new sections, or even the whole of them put together, had the importance of this order in council which has now been slipped through without publicity of any kind. All that work was done, and now we find an order in council is passed which might possibly vitiate some of the most important parts of the act itself.

I object, again, to the fact that the order in council was passed when the house was sitting. About the year 1923 a resolution was passed in the marine and fisheries committee of which the hon. member for Antigonish-Guysborough (Mr. Duff) was chairman. That resolution was to the effect—and he will correct me if I am wrong—that the committee requested or recommended—the language was not more imperative than that—that if the department proposed to put through any order in council relating to fishery matters while the house was sitting, the committee should first be advised. The idea was that parliament was paramount, and that while parliament was sitting and the committee was sitting it would be wise and well that any material changes proposed to be enacted by order in council should receive the investigation of the committee. I submit that the change to which I shall refer is very material, and should have been referred to that committee. There could have been no rush, because the action proposed to be taken could not possibly be taken for three months, and more likely about four and a half months. There was no excuse for the secret rush—because I believe that is the way to describe it.

My third objection is that it is a breach of good faith with the whole fishing industry of British Columbia. In the last eight or nine years a most admirable practice has grown up in the department, whereby the minister or his deputy has visited British Columbia once a year, mostly in the early

days of December. The present Minister of Finance (Mr. Rhodes) came one year, and we were pleased to see him. On such occasions the deputy minister holds meetings at three or four of the principal points in British Columbia. An agenda is prepared beforehand, and any person, whether he be rich or poor, canner-man or fisherman, is entitled to place his views before the meeting. All people are welcome, canner-men, fishermen and dealers. The result is that the officials receive an idea of the feelings in the industry. The meetings have been found so satisfactory that a practice has grown up, established by long usage, that unless a matter has been discussed at one of the meetings it will not, except in very urgent cases, be made the subject of legislation during the coming year. That met the objection that was so common for many years that the government had a habit, influenced perhaps by political or other considerations, of passing orders in council and legislation of that kind at the very last minute. The canneries were embarrassed by these regulations coming in the last minute before the season began; the fishermen did not know what regulations they had to comply with; so it became a well established rule that unless it was something of extreme urgency, nothing that had not been discussed at these meetings would become the subject of orders in council for the ensuing season. That has been carried out for eight or nine years with very good results. It was departed from on one occasion last year, a matter of political influence, very much to be regretted, and here we have another departure and a very much worse one. Last year when the deputy was out in December he had four meetings at least, five possibly, and discussed matters fully. The agenda I am of course quite familiar with. There was nothing in the agenda about this subject, it was never brought up at any of the meetings, the deputy minister never heard of it as far as we know, and no hint was given of anything of the kind. Early in January I heard a whisper —these things do leak out—that an attempt was to be made to put over this legislation —and "put over" is precisely the language to use. I wrote to the department on the 13th of January and got an answer dated the 20th of January which indicates that my letter was the first intimation that had reached the department about this matter. Then it goes on to say that the requirement that none other than salmon in perfect condition should be placed in cans was being well taken care of through the inspection of canned fish. Well, that reassured me; I was satisfied then that there was nothing in the whispers that I had heard.

So that on January 20 the department had no intention of legislating along the lines of the order in council which it passed two weeks later. I do not suppose they get up before breakfast to pass an order in council; it must have been a matter of consideration, possibly of correspondence. At any rate within two weeks after the date on which the department assured me there was nothing in the wind the order in council was actually signed by His Excellency—without publicity, and it was not put into the Gazette until fifteen days later. Why was no notice given the industry? Why were the independent canners, who were going to be deeply affected, not advised? Why were the fishermen, whose livelihood was imperilled to a large extent, not advised? I might even say, why was I not advised, considering that I had been assured fourteen days before that there was nothing in it at all? I think it would have been only fair to advise me of this sudden change of principle and policy and as to what their intentions were. I keep asking myself again and again, why was this thing perpetrated? Why? Why? Well, sir, I can answer my own question. For the same reason that a burglar operates in the dark; it had to be put over in the dark because it could not be done in the daylight. The least breath of publicity, the merest ray of light thrown upon it, would have killed it. Now I want to be perfectly fair. Sometimes I am accused of not being fair, but I am. I see the acting Minister of Fisheries (Mr. Duranleau) quite agrees with my contention, though I do not know which one it is he agrees with. I am sure it is the first one. At any rate I want to be fair to-day, and I will say that the defence given by the department—I do not know if I am paying them a compliment when I say defence—is this, that the order in council dealt with the inspection of canned salmon, and as this inspection of canned salmon is a matter wholly concerning the canners it was not necessary to take it up at these meetings on the coast attended by fishermen and others, and therefore all I have said about not passing legislation that was not considered at these meetings was beside the mark. Yes, it is true that ostensibly it deals only with canned salmon inspection regulations, and if that was true in its entirety, then consulting the canners alone would have sufficed. But it is a terrible and obvious quibble. The nature of this regulation is such that it becomes of vital

and desperate importance to the fishermen, and that places it in the category of the things that should have been discussed at the fishermen's meetings. So that dissipates that defence.

To sum up: First, this legislation should have been introduced by an act; second, it should have been referred to the marine and fisheries committee then sitting; and third, it was a breach of the established policy that had been carried out for years and years with the fishing industry in British Columbia.

Now having dealt with the circumstances surrounding the illegitimate birth of this—might I call it—piscatorial foundling, let us devote ourselves to some consideration of the reasons alleged in support of its original conception. Ostensibly it was introduced to strengthen the government regulations dealing with the inspection of canned salmon. Years ago the government found it necessary, and properly so, to install a system of government inspection and guarantee of canned salmon. The question immediately arose as to how to accomplish that inspection. Two ways were suggested. A number of people recommended, and I think I supported them, that it could best be done by having one inspector at every cannery. He would stand there, he would see the fish as it came in; it would matter not to him where it came from or how long it had been caught, or anything else; all he would be guided by would be his judgment of the actual state of the fish. If the fish were bad he would say: That fish must not be canned. If he gave his approval to it being canned—he was there in the plant and would have followed every detail of the procedure; it is a well known process—at the end of the process he would be able in all sincerity to give a certificate that it was of the first class. That would have been the best idea, but the government found it to be too costly. I agree with them; possibly it was. So they decided upon the other method—there were practically only two between which to choose—that is making the test on the canned product. I emphasize that because my whole objection turns upon it. The government decided that the inspection would be made on the canned product. So many tins would be opened and the inspector would pass judgment on it, just as you do in the case of fruit or other articles. Now last April the government in pursuance of this policy introduced by order in council under the Meat and Canned Foods Act a considerable number of regulations dealing with the inspection of canned salmon. It will be recalled that I objected very strenuously to some of them, not that I objected to the system, but I said they were unworkable, ill calculated to achieve the object they professed to serve. Of course no attention was paid to my protest; they were declared to be perfect. The impression was given that they were inspired. Well, Mr. Speaker, they may have been inspired, but I do not think they were divinely inspired. The inspiration came from a less exalted source. To use the vernacular, I have since got quite a kick out of the subsequent results of those supposedly inspired regulations that could not be improved upon and were the very last word. The thing became, as I had predicted, a joke—simply and plainly a joke. A gentleman came out from London, England, one of the biggest buyers of canned salmon in the world—and that is a big word. He had a very big order with him. He expressed in plain English, very emphatic language that I could hardly repeat here, his opinion of the intelligence and mental capacity of anyone who would consider those regulations suitable or useful. He said that for his part he was not going to buy a case of salmon unless it passed the inspector arranged by himself. Since then I have received information from a gentleman of some standing in Australia who complained that the regulations had lent themselves to direct abuse. That was in the early days, before the regulations were amended. He said they encouraged people to take salmon of an inferior grade to Australia, where it was sold as the very best, and a little later I will quote from his letter.

Perhaps the best proof of the futility of these regulations can be shown by the way the department treated its love child. The regulations were put in operation ten months ago, and since then they have been amended five times. The original regulations covered two and a half columns of the Gazette, but the five amendments or additions made since then extend to some five and a third columns. In other words it has been found necessary to patch or add to this good and godly garment until the patches cover the garment not once but two and a half times. That will give us some idea of the adequacy of the original regulations. These amendments were made to a very considerable extent along the lines I advocated. Of course they did not follow my recommendations too closely; that would not have done at all. There is such a thing as saving the face of the department, and it would not have done to give me an opportunity to say "I told you so" too plainly. At any rate the amendments were substantially along the lines I suggested. Finally the officials thought the regulations

were now all right, at least they thought so until three weeks ago, when they threw this order in council into the works and upset everything again. Let me quote the letter of the department dealing with these regulations:

. . . it may be said, without the possibility of successful contradiction, . . .

That is a brave statement.

. . . that the fact that the original regulations and the amendments thereto have been accepted with remarkably near unanimity by the canners, is in itself an evidence of the efficiency of the regulations.

Is it really? It is to laugh. It might also be held to be evidence of the fact that the reglations were so ineffective that the people concerned did not bother to complain of them. It might be taken to mean that they were glad to get the appearance of government endorsation of their product even though the regulations were so feeble and ineffective that they did not impose any restriction on them. Suppose I were asked to formulate a set of regulations to deal with a case of smuggling, and later I had to make a report. I might say, "Well, I have a set of regulations that have worked like a charm. The smugglers are perfectly satisfied with them." Would that be considered an evidence of efficiency? I rather doubt it, yet that is all it amounts to. For evidence of that kind I would rather look to statements by buyers and wholesalers in other countries. I would look to see if these Englishmen were content to accept the government inspection and no longer insist on their own inspection.

At any rate, that is the official attitude. We have further endorsation from British Columbia. The chief supervisor of fisheries is quoted as follows:

It has proved a notable success and has been welcomed by overseas buyers, especially in Great Britain and Australia.

Then I see a long article in the Pacific Fisherman, a well known fisheries paper, in which the chief supervisor is quoted as follows:

The results, he said, have been in general highly satisfactory, and the buying trade has been well pleased;—

Then follow endorsations by two or three of the leading cannery operators in British Columbia. That must have been a red letter day for the chief supervisor of fisheries. In addition to having his views recorded on one page, I find on an adjoining page a really pretty photograph of him attired in the most up-to-date golfing togs and associating with some of the leading cannery operators on the coast, an attitude which I think is highly symbolic. It was rather curious to hear the chief supervisor talk about the results being so satisfactory in Australia, because I have in my hand a letter written last November by a man who says he is the representative of a large merchandising business in Australia, the name of which he mentions. He says:

For some time past, several merchants have been relabelling salmon, mostly pinks, and naming them reds and distributing them as reds. The practice, apart from its dishonesty and misrepresentation, was causing bona fide traders concern, especially those who would not practise the deception.

Then in a letter he sent to the government of Australia he says:

I understand the federal government of Canada was trying to make it an offence under the pure foods department or health act, but the results are very disappointing.

But the chief supervisor says he has had word that the results are very satisfactory.

Mr. STEVENS: Would the hon. gentleman mind letting me see that letter?

Mr. NEILL: Certainly. Part of it is a personal letter to myself, but I know my hon. friend will treat it as such.

Among the regulations passed last April was one establishing a board of inspectors. I objected to that system very strongly, because it appeared that these inspectors who were liable to condemn the packs of the canners to the extent of thousands of dollars were to be nominated, appointed and paid by the canners themselves. Is it any wonder that I objected to a system of that kind? I have in my hand a clipping from the journal published by the Minister of Trade and Commerce, in which comment is made on the system of inspecting meat in Australia. I find these words:

All these inspectors are salaried officers of the commonwealth government entirely independent of the proprietors of the meat works.

Is that not the proper way? How would it look if this same journal, published by the government, in explaining the system of salmon inspection had to say that these inspectors were nominated, appointed and paid by the canners themselves? What weight has an inspection conceived and carried on in this way? I will say, however, as I said in April last, that by chance or otherwise the first men appointed to the board were good, capable, competent and reliable men, whose integrity and honesty is unquestioned. I am not saying a word against them. I said then, and I repeat, that I would be quite satisfied with their judgment as such, but I do condemn the system. We left it to the judgment of

these good men; we said to them, "You will look at this salmon. If in your judgment it is good you will pass it." Here are the exact words of the order in council defining the duties of these men; it is subsection 27 (a):

Canned salmon that are found by the board of inspection to be fresh, firm, well-packed and in good, merchantable condition, shall be approved and a certificate in the form attached marked A shall be issued therefor.

If the inspector found that the fish was in that condition in the tin, fresh, firm, well-packed and in good, merchantable condition, he would issue the certificate, but if he did not issue the certificate, if it were anything inferior to that standard, it had to be marked second quality, and that absolutely damned the sale of it, because you cannot sell canned fish marked second quality.

That was the section under which these men acted; it was within their sound judgment as to whether the fish complied with that requirement. Now I come to the order in council which was passed on February 3 last. It simply added a proviso to the words I have just read, as follows:

Provided that no certificate shall be issued for canned salmon that had not been landed fresh at a cannery for canning within twenty-four hours after being caught, excepting fish that has been gutted and iced immediately after being caught.

They have their tenses mixed; it is not even grammatical. However we will let that go. You will observe that it stipulates that the fish must be landed at the cannery fresh for canning within twenty-four hours of being caught. It does not say that it must be canned within twenty-four hours, so that vitiates the usefulness of the whole provision right there, to say nothing of other reasons that might be advanced. It may be landed at the cannery within twenty-four hours, but the fish may lie there for another twelve hours to suit the convenience of the cannery man, because there is nothing to prevent that being done.

In the preamble of the order in council it is stated:

Whereas the acting Minister of Fisheries, on the advice of the deputy Minister of Fisheries and the responsible officers of the department, and with the approval—

With the approval of whom?

—of the salmon canners, recommends that, etc. . . .

It is with the approval of the salmon canners, the very people whose goods are to be inspected and perhaps severely dealt with. That order in council creates an absolute departure from the principles that the government had already laid down. Formerly the test was simply the appearance and condition of the fish. The question that had to be decided was, did it comply with that stipulation that it should be fresh, firm, well-packed and in good merchantable condition. It was left to the judgment of competent, experienced, reliable men. They did not have to consider the history of the salmon or its pedigree or ancestry, or where it came from or anything else. It might have come from California or Mexico or the Arctic pole; all they had to do was to use their judgment and determine whether it was of the required quality. If it did they would approve; if not, they would not. What is the situation now? They may be perfectly prepared to approve it; the fish may come up to every word of that requirement; but if in addition to that it is not proved that the fish has been delivered at the cannery within twenty-four hours of its being caught then it must be condemned.

Now how are these men to know whether the fish has been delivered within that time or not? It might have been delivered within ten hours of being caught and still it might be the duty of the inspector on inspection to condemn it; that would be quite understandable. But what is the test? Is it delivery within twenty-four hours of the fish being caught, or is the test to be the question whether or not the fish comes up to the stipulated requirement that it shall be fresh, firm, well-packed and in good merchantable condition? There is no question at all that in the final analysis this last is the principle on which the inspectors must act. If it is bad, it is the inspector's duty to condemn it even though the fish may have been put into the tin alive. But if on the other hand the inspector finds that it is perfectly good, quite fresh and of the highest quality, he cannot give a certificate unless it can be proved that the fish was landed at a cannery within twenty-four hours of being caught. Now I should like to know how any inspector can get that information? Why the need for this sudden and violent change of policy, changing the whole system right round, from the inspection of the canned product to a question as to the time within which the fish has been delivered at the cannery?

The system was lovely; the department at Ottawa said so. The chief supervisor in British Columbia says so, and he is the last word as an authority on fish, certainly in his own opinion. This was not asked for by the officials; at any rate it was not asked for by them as late as January 20, because I have the letter right here. It was not asked for by the board of inspectors. Now would you

not have expected to find the inspectors taking part in this and approving of the order in council? Yet there is no record in the order in council, in the correspondence or anywhere else to show that they were either interested in, or invited to express any opinion on the subject. They did not ask for it, and it would have been remarkable had they done so, because it would have been admitting openly an obvious reflection on their ability and intelligence. Who then did ask for this change in the system? It was not the department; it was not the inspectors; it was not the fishermen. I will tell you who did ask for it. According to the letter from the department, strong representations were made to the department on behalf of those who put up over ninety per cent of the canned product—not ninety per cent of the canners, but those who put up ninety per cent of the canned product, which might have represented two or three companies—

—that the existing inspection requirements that canned salmon must be fresh, firm, well packed and in good merchantable condition to be entitled to a certificate were not sufficient.

And it had to be buttressed up in the way I have indicated. Why did they ask this? Were they dissatisfied with the judgment of their own inspectors whom they themselves had recommended so strongly only ten months before? Was there any reason for dissatisfaction with them? Had any word come back from the markets in Britain and elsewhere that the fish was not in proper condition and that the regulation as it stood was inadequate? No sign or evidence of that at all. I will give the real reasons in a moment.

Let us consider how this requirement will work, or rather not work. How will it be carried out? Is there to be an inspector on every little boat, a man who will stand there and put a tag on every salmon as it comes on board, or how will he know? Are you going to make the fisherman, when he comes to the cannery, take an oath as to how long this particular fish or that other fish has been out of the water? I have a vision of a man coming in with twenty or thirty fish and taking an oath that these eighteen fish over here had been caught sixteen hours, those six with the curly tails had been caught a couple of hours later, and as to this other lot over here, well perhaps they had been caught twenty-five hours but he was on daylight saving time while the officials were on standard time, so perhaps that would make it all right. Or are you going to require an oath of the cannery man? Of what use would that be? He could not know. He could only repeat what the fisherman had told him. I am not impugning the honour or integrity of the cannery man, but we all know that in any rank of life if you make it compulsory for people to swear to stereotyped statements it will simply mean that some bookkeeper will say, "Here Bill, sign this thing," and Bill will sign it, although he does not know what it refers to. I have known cases—and I am not referring now to the fish business—where one man has been required to sign something and in his absence someone else has signed his name.

I contend therefore that this provision will be entirely superficial. It will be entirely useless, and stereotyped statements forced in that way are of little value anyhow. I want you to note this also. The inspector may be perfectly willing to O.K. the fish but he has to have evidence that they were landed on the wharf twenty-four hours after they were caught. How is he to get it? He must get it or else the whole thing must be a joke and never intended to be enforced. I rather suspect that, in this aspect of it, and I intend to suggest a real reason. How is this thing going to be done? The order in council which I read contains no provision by which it can be carried out. The order in council was passed on February 3, four months before it was needed, and yet no method was suggested for carrying out its provisions. How is he to find out whether the fish was caught within the time? It is unworkable and it is superfluous. It would be superfluous if it were not unworkable and it would be unworkable if it were not superfluous—it is both.

The argument is used that after all twenty-four hours is a long time and a considerable distance can be covered in that period. Time is a comparative thing. If a man is to be hanged, twenty-four hours is a different measure of time than if he is going to be married. It is said that you can go two hundred miles in twenty-four hours, but that means eight and a quarter miles per hour which would require a faster boat than is generally used. Fish cannot be caught like you would go into a store to buy a pound of butter. Fishing is not one incidental, isolated action, it may take twelve or fifteen hours to get a load. If the first part of the load happens to be just within the twenty-four hours, the latter must be within the eight or ten hours. Such a provision would impose a hardship upon the fishermen. Then, as every fisherman knows, it depends entirely upon how the catch is handled. An inspector might properly reject fish which had been only ten hours out of the water. So many factors enter into this matter; there is the variety of fish and the conditions under which they are caught, the weather, icing and so on.

The fish must be landed upon the cannery wharf within twenty-four hours, but only landed. What use is that? The idea in mind is supposed to be quality, but how can the quality be improved by insisting that the fish be landed upon the wharf within twenty-four hours after being caught and then permitting them to remain upon the wharf twenty-four hours more. There is no provision to take care of that possibility. The only provision is that the fish must be landed upon the wharf within twenty-four hours.

It is a well known fact to those who know, and the men behind this movement do know, that some fish carry much better than others. I am told that sockeye carry much better in the round, that is, unopened and ungutted, than other fish do even when gutted and iced. There is something about sockeye which makes them carry better without opening. They do not feed immediately before being caught and are not full of what is called red feed which ferments and decays. Let me quote from a practical canneryman, as follows:

> It is a fact that sockeyes for instance carry better in the round than any other species of salmon, having no feed in them, and we are prepared to guarantee that we will land sockeyes properly iced in the round seventy-two hours after being caught in better condition than similar fish landed twenty-four hours after being caught which have not been properly cared for and iced.

To my own knowledge I know that that is true. As I said before, the conditions imposed by the order in council are superfluous, useless and unworkable. I doubt very much if there will be any genuine attempt made to enforce them. It will be a dead letter, there are no teeth in it as regards its ostensible purpose.

I shall now deal with the other purposes of the regulation and to do this I shall have to go back a little into the history of the canning industry of British Columbia. Many years ago there were no canneries, the waters were open to everyone and to everything. Certain men began to can and it was thought desirable to encourage them. The thing was an uncertain venture and the government quite properly gave them the exclusive rights to large bodies of water. I am not kicking against that action because I probably would have done the same thing as there did not seem to be any reason at that time for not doing it. Unfortunately, where you create a monopoly, in time you lead to favouritism and graft. The worst feature of the whole proceeding was that it gave not only exclusive rights to canning but also to fishing. It is hard to believe that only fourteen years ago it was a criminal offence for a Canadian to go out into territorial waters—I think it applied also to extraterritorial waters—and catch fish. He could not get a licence or if he did it would be of no use to him. The cannerymen received and farmed out the fishing licences to the fishermen who were in a state bordering upon economic serfdom. They were absolutely at the dictation and the influence of the men from whom, and from whom only they could get the licence which enabled them to fish. The canning trade proved to be profitable and many petitions were made to obtain the rights which at that time could be obtained only by political influence.

In 1917 or 1918, I just forget which, the Hon. Mr. Ballantyne, Minister of Fisheries in the Union government, went out to the west coast. I am glad to note that in the parliamentary guide book he puts his politics down as Independent, and this perhaps accounts for the courage and foresight with which he acted. To paraphrase Genesis, he saw that the thing was not good and he put his foot down and said: I will do away with all this. He established an open door policy, so that everyone who bought a licence and complied with the conditions could go and fish and carry on as a canneryman or fisherman. The fishermen could then call their souls their own, they ceased to be criminals when they went fishing. They had a standing in the community, they saved money and bought their own boats. They became a sturdy and desirable class of citizens, they married and settled with their families to form little fishing communities. They represent a bulwark of empire upon our western front. Some day some nation—I am not indicating which—may want to form another Manchukuo on Vancouver island. It may be said that that is impossible, but we thought the other Manchukuo was impossible. From an imperial and national point of view it is very desirable to have these little settlements along the narrow waters and fjords. These sturdy, hardy fishermen are thoroughly familiar with the waters of the western coast.

Another result, perhaps not as desirable, which followed this open-door policy was the increase in the number of canneries. People rushed into the business and before long there were jealousies and rivalries between the different canneries. It led also to very intensive fishing. To equip properly a seine boat costs from $20,000 to $25,000. Previously, two canneries located in comparative proximity were in the habit of each putting in, say a couple of seines. However, in order to make more money and to get ahead of the other

fellow—the undying horror of a canneryman is to let a neighbour get half a fin ahead of him—they went out and put four seines each into the water. Then the other fellow would try to go one better and I have heard of cases where fifteen seines have been placed in waters which would ordinarily take only four. The department, realizing the danger to the industry brought about by this action, formulated a rule that if more than a reasonable number of seines were being used, the department to be the judge, the number of days for fishing per week would be cut down. Of course by this method you get more fish. But it was far more expensive fish; it cost the canners more money to get a given quantity by these intensive methods. You can imagine that catching one-third more fish with five times the equipment would not be profitable. The rivalries and jealousies led also to fish of poorer or more doubtful quality being put up. The one idea in those years seemed to be to get a bigger and bigger pack regardless of the cost and heedless of the quality of the fish put up. This meant a huge outlay for the boats and a bankrupting outlay for the canners. By and by the inevitable result followed of heavy losses. Backers and bankers began to ask: Why all this sudden loss? Why this large expenditure? Like the Israelites of old, who when they were cornered in the wilderness as a result of their sins, instead of acknowledging them, cried: Would to God we had stayed with the fleshpots in Egypt, the cannerymen, because it is not human nature to admit one is wrong, instead of admitting the facts as they were, said: It is all due to Ballantyne's malicious policy; if we could only get back to the good old days when there was the closed door and exclusive rights all round, when I owned this fifty miles of seaboard and you owned the other, everything would be all right.

In fulfilment of those views, which the backers and bankers had to accept in lieu of a better and more definite statement, they tried to get back the good old days. They made a perfectly legitimate effort by endeavouring to have the Dominion government alter its policy. Succeeding governments were approached, and quite properly, but all efforts were unsuccessful. Then they attempted to work it through the provincial government, it having acquired rights over canneries and the fish after they were caught. The Hon. Mr. Howe, who was minister in charge, in a very roundabout way sought to give them the advantage for which they asked, but the method he proposed was so nonsensical that after it had been threshed out in committee of the local house, the cannery men's own lawyers advised him to withdraw it because if he attempted to put it through, it would only make his ignorance of the subject all the more apparent.

Following this, less creditable methods were adopted. They said: If we cannot get it by means of change of policy, of legislation, perhaps we can get it by means of regulations which say one thing and mean another. What they wanted to do of course was to get back as near as they could to the good old days, eliminate the small independent canners that had sprung up among the old established ones and also eliminate the independent fishermen who were growing in strength and importance, and make them serfs and tools of the cannerymen and dependent on them. This meant huge expenditures in boats and so forth. The really proper policy for the canners to adopt is to encourage the independent fishermen and let them fish and let the cannery men can. In all phases of industry it has been a good system not to try to do too many things at once. So the independent fishermen should be encouraged instead of being discriminated against. In this way the cannerymen would be saved great outlays and they could devote themselves to their business which is sufficiently large and profitable under normal conditions for them to pay their whole attention to it. It is needless to say that all these recommendations and proposals were made in the name of conservation and quality. Someone has said: O patriotism, what crimes are committed in thy name! I have had a long and wide acquaintance with fishermen and cannerymen and every other class of the industry, and not one of them, when asking for something to which he was not entitled, has not laid his argument on the altar of conservation and quality. That is a proverbial and well known fact.

Mr. Speaker, as I have finished this phase of my argument, I would ask you to call it six o'clock.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

### PRIVATE BILL

#### BOARD OF TRADE OF THE CITY OF TORONTO

Mr. G. R. GEARY (South Toronto) moved the second reading of Bill No. 29, to amend and consolidate the several acts relating to the Board of Trade of the city of Toronto.

Mr. CASGRAIN: Explain.

Mr. GEARY: The hon. member has asked me to explain; I do not know that he would like to go through the bill with me, since in it there are some fourteen pages of printed matter. I may say, however, that the Board of Trade of the city of Toronto was incorporated by statute of the old province of Canada, passed in 1844. Naturally since that time there have been other statutes, one of which incorporated the Board of Trade with the Toronto Corn Exchange Association, and many others amending the original provisions applying to the corporation. I have read the bill and cannot see that it contains anything new. It is simply a consolidation of previous legislation, and is designed to put everything in more compact and understandable form. I suggest that any questions hon. members may wish to ask be asked in committee.

Motion agreed to, and bill read the second time.

## CRIMINAL CODE AMENDMENT

The house resumed, from February 17, consideration of the motion of Mr. Woodsworth for the second reading of Bill No. 24, to amend the criminal code (unlawful associations), and the proposed amendment thereto of Mr. Guthrie.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, when the hour for private bills expired on Friday evening I was just about to congratulate the hon. member for North Winnipeg (Mr. Heaps) on his success, at least to his own satisfaction, in answering charges made by hon. members opposite to the effect that there was some connection between the group to which he belongs, or groups in this corner of the house, and the communistic organizations of Canada. While I wish to congratulate him upon his success in satisfying his own mind, I am very much afraid that his was a labour of love which will remain unrequited for a long time, because hon. gentlemen opposite who insist upon making the charge would be very much disappointed if they had to accept the truth, which is that there never has been and never can be any connection between these groups and communistic organizations.

It appears to me that perhaps one reason why a certain section of the house opposes the repeal of section 98 is in order that it might be used for political purposes. By inspiring fear they hope to accomplish that which they cannot accomplish by applying reason. Such terms as bolshevism, communism and revolution used by people who have political objects in view present alarming pictures to the general public. Each one of those words in the minds of some people stands for something quite objectionable. Their connotations are such as to inspire fear and repulsion. So, in a movement in this country if one manages to connect with it the terms bolshevism, communism and revolution, he immediately raises an unreasoned objection on the part of the general public. It is very much like witchcraft. I suppose there never was actually such a thing as witchcraft, yet many poor old women paid with their lives for that superstitution. I do not suppose there is any real revolutionary movement in Canada; certainly those in this corner who are charged with being revolutionary are not. And yet this suggestion is being used, just as witchcraft was used, to scare people.

As I have said, perhaps that is one reason why some hon. gentlemen wish to retain section 98. They keep it alive for political purposes. I am not so sure that government agents are not employed in certain parts of Canada to stir up strife, in order that section 98 might be used. Certainly we have had examples of this in Leopold and Zanetti. These gentlemen were government-paid agents who took an inside leadership in certain communistic movements of Canada; they led on a few ignorant dupes until they got them where they wanted them. At that point section 98 came into play and arrests were made. Surely the powers that be ought to hesitate to stoop to that sort of thing. Yet it was done, and maybe it is going on now to a greater extent. Perhaps the most radical revolutionary papers in Canada are being edited by agents of that type, who desire to prove the value of section 98, and to make connections with the groups in this corner of the house in an effort to gain ground for the argument that there is an association between the two.

Mr. ERNST: Such as Change?

Mr. IRVINE: The hon. member has mentioned a very notable and exceptionally well edited paper which is very far ahead of any paper which at the moment can be claimed in support of the Conservative party.

Then, another group who want to retain section 98 are those who are afraid. They may have personal cause for fear about which I do not know, or their fears may be purely pathological. But that some of them have such fears there can be little or no doubt; and fears have always in the past expressed themselves in obscurantism and persecution. The hon. member for East Algoma (Mr. Nicholson), who is not in his seat, is in my

opinion one of those people dominated by fear. He is so afraid that a resolution passed by the synod of his own church seemed to disturb him greatly. I have before me an excerpt from a news item appearing in the Ottawa Journal of September 23, which reads as follows:

> Nicholson, M.P. urges resolution toned down lest they be misquoted on communist platforms.
>
> Toronto, Sept. 22.—Anglican Synod—A demand for condemnation of "capitalistic methods" and of financial scheming which takes millions from the many, to put into the hands of the few, was made by the Very Rev. Archdeacon F. G. Scott of Quebec, at the general synod of the church of England to-day.
>
> On motion of Canon A. P. Gower Rees of Montreal, the synod committed itself to the principle that "the nation is primarily responsible for the support of any citizen who, through no fault of his own, is deprived of his right to secure his own means of livelihood and the maintenance of his dependents."
>
> Moving that the resolutions be referred to the special committee G. B. Nicholson, M.P. of East Algoma urged that they be toned down "lest they be misquoted on communist platforms all across the country."

When the hon. member is actually afraid of the resolution passed by the Anglican synod, one cannot wonder that he would literally quake with fear at the resolutions which come from this corner of the house.

Mr. ERNST: Were both resolutions passed?

Mr. IRVINE: Yes, so far as I can learn from the report, both passed. So I say it is not surprising that one who for pathological or personal reasons is afraid of a resolution of the Anglican synod should be perturbed by a resolution coming from this corner of the house.

Mr. MORAND: He was afraid of being misquoted.

Mr. IRVINE: Well the fear of misquotation is not expressed in the report which I read, and I have never heard any such fears expressed by the hon. gentleman here. It was always the reality of his imaginings he was afraid of, not of being misquoted. Now it appears to me that he and a few others in this house are suffering from Russiaphobia, and being in that condition they seem to be entirely unconscious that they are following Russian methods themselves. The attitude of the government in retaining section 98 and in arresting and imprisoning people under that section is undoubtedly that of the czar. That is the course the czar followed prior to the revolution. No matter how intelligent a man was, if he opposed the czar he was clubbed or murdered or sent to Siberia under laws similar to this that we are opposing. So that while hon. members opposite charge us with being bolshevists, I feel very much prouder of that than if I were on the other side following in the footsteps of the czar across the sands of political time. And that is what they are doing. I say I would far rather be charged in this house or anywhere else with being a follower of Lenin than of the czar, though I am a follower of neither. Supporters of section 98 are followers of the czar. He who practises what the czar practised is a follower of the czar. This section 98 if it had been drawn by the czar would not have been any more rigorous than it is. Its method, its spirit, the political philosophy behind it, are those that were characteristic of the czar and led to the revolution which hon. gentlemen so much deplore and fear will be repeated. Economic slavery and persecution were the seeds of communism. Whatever associations hon. gentlemen may try to establish between the Cooperative Commonwealth Federation, for instance, and groups associated with it, and the communistic groups, whatever success they can make of that they are welcome to, but I repeat, I would much rather be associated with communism than with the group to which they belong, namely the czaristic group. Section 98 is certainly not British, it is certainly not Canadian, it is a weapon of prerevolutionary Russia, and I do not marvel that those who advocate it are afraid. They are certainly taking a course which would give them cause for fear if they only realized it.

There is a third type that seem to desire to retain this legislation, namely those who honestly believe that ideas can be and should be put down by force. Those of us who want to see section 98 repealed believe that the widest possible latitude should be given to all thought, and that thoughts, whoever may express them, should be allowed to be uttered unhampered. I would not go so far with action; I quite realize that a government that cannot retain power ceases to be a government, and if force is exercised against the government then the government has to exercise force to maintain itself. In other words, if any group in Canada made forcible attacks upon government or upon the institutions necessary to law and order, then I do not doubt that the government should take action, but for the government to begin to take action by force before any action has been taken against it is undoubtedly persecution. Let the government wait until the action has been taken against it; then it is time enough for the government to act. I suppose most of us have noticed that those who, like this parliament for instance, do a lot of talk-

ing, never act very quickly if at all. Great Britain has recognized that for a long time. She permits liberty of speech; men and women can go into the halls and the public parks of Great Britain and say what they like, there is no restriction on words or ideas. And Great Britain has found that that is much safer than to try to repress utterance. Think of the absurdity, for instance, of a single communist or a handful of communists standing up and saying that they are going to upset the Canadian government by force! There they are, a few poorly fed, poorly clad and sometimes ignorant individuals, with no organization, no money, no guns, no arsenal, no munitions, no aeroplanes, they have nothing but their mouths and they stand up and threaten to attack by force the government of this country! A ridiculous thing, a joke. Those, as a rule, who thus threaten attack by force, do so because of the realization of their utter inability to carry out their threat. If they really were trying to upset the government by force they would not be talking so much about it. Let them talk. Let them say what they will, as long as they do not act. When they act, and if their action be subversive, I agree that the government must be firm, but the government has authority to take action under those circumstances without this action, which, on the other hand, provides opportunity for any government inspired by fear to persecute instead of punish. There is the point, I think the most powerful point in the whole argument against the repeal of this section. In that connection may I refer to a statement which I think was made by Macaulay? He says:

> The true distinction (between punishment and persecution) is obvious. To punish a man because he has committed a crime, or is believed, though unjustly, to have committed a crime, is not persecution. To punish a man because we infer from the nature of some doctrine which he holds, or from the conduct of other persons who hold the same doctrines with him, that he will commit a crime is persecution; and is in every case foolish and wicked.

It appears to me, sir, that that is the whole point at issue in regard to the repeal of section 98. The government has all the authority it requires for the protection of the government and the state. But this section gives them the opportunity to persecute if they desire to do so. I do not say that they wilfully desire to persecute, but when men are as afraid as the hon. member for East Algoma (Mr. Nicholson) and find themselves with a weapon of this sort at hand, they use it. It has been used rather liberally in the past few months, and if it is not taken away no doubt will be used in the future perhaps even more liberally. So I hope, Mr. Speaker, that all who believe in freedom of thought, who believe that every man should have the right to express his views when and where he desires, will support the repeal of section 98. Let those who are afraid, those who desire to use it for persecution, keep on their fateful course; history will deal with them just as it did with their predecessor the Czar of Russia. But for those who wish to retain British institutions and who wish to give freedom to thought—or shall we say those who wish to retain Canadian institutions, which are perhaps even higher—I say, let us wipe this legislation from the statute books and allow Canadians the right to express themselves on political and economic and social questions as they feel inclined.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I would like to say a few words in support of this measure which is before the house. I was surprised—and I suppose being surprised arises from the fact that I am a new member, because I notice that the older members are not surprised at anything that happens in the house—I was surprised, sir, when I heard the attacks of hon. gentlemen opposite on this bill, especially when they endeavoured in some way to connect Canadian labour with soviet Russia. I am sure no hon. member seriously believes that any member on this side of the house believes in or would advocate force or is connected in any way with soviet Russia. So I say I was rather surprised and also disappointed when I heard the attacks on hon. members supporting this bill. I can say this much, Mr. Speaker, that the communists of this country utter more denunciatory remarks against the labour members in this house than they do against even the vested interests; they are more severe in their criticisms of those who stand up for labour.

I hope the views expressed by hon. members opposite who have spoken are not held generally, because if those fears spread I am afraid we are then in danger of losing our individual liberty. For that reason, therefore, I would be loath to see the present act retained on our statute books. Not long ago a prominent judge on the Pacific coast said that if ever there were a time when individual rights should be respected and preserved it was during this trying period through which we are passing. The Minister of Justice (Mr. Guthrie) said only two prosecutions had been carried on under this section since it was passed in 1919. I feel sure, Mr. Speaker, that those who supported

the measure in those days had some reason to believe that this provision was necessary then in order to prevent rebellion or revolution, but since that time only two prosecutions have been carried out. The fears held at that time have been proved groundless, and I am convinced that the fears some hold now are equally groundless. I do not think we are in danger of revolution if we remove this section from the criminal code. In time of peace there is no need for any such provision, because the whole nation is calm and can reason out all such matters that might affect the peace of the country, but conditions are entirely different at present. A wave of fear is likely to spread over the whole country, and no one can tell what may happen if a panic of fear should spread from one end of Canada to the other. It might not be very difficult to start a reign of suppression if the fears I have heard expressed by hon. gentlemen opposite should spread to any great degree.

Let me remind hon. members that Great Britain has not forgotten her magna charta of individual liberty; for many years she has carried on in the belief that there is more danger from bottled steam than from steam that is allowed to escape. So she has wisely adopted the policy of allowing any person to say almost anything so long as he does not go too far in regard to the king himself. He can say almost anything, however, with regard to the government. I have listened to speakers in Glasgow who had to be protected from those who wished to mob them for daring to say the government was evil. As I say, Great Britain has adopted the policy of permitting great freedom of speech in all public places; public speakers are protected by the law and are allowed to say what they wish. If you do not care to listen or do not agree with what they are saying it is your privilege to walk on and pay no attention to them. It might be well, Mr. Speaker, if hon. members who could afford it took the opportunity to visit that great country. We have heard a great deal about the Anglo-Saxon spirit, and we pretend to follow the lead of Great Britain in a great many things. Let us follow her lead in this case. For years the socialists and communists have been preaching their doctrines in that country but Britain is still as sane as ever. At the last election some people thought Great Britain would swing to socialism, but a national government was formed. Even Stalin, after the results of the last election were known, said that Great Britain was impossible. He believed that after socialistic doctrines had been preached there for so long, with unemployment prevalent and the depression and distress continuing, revolution was at hand and that after the election the socialist party would take charge of the country. That did not happen, however, due to the good sense and foresight of the British nation, which had allowed absolute freedom of speech.

I say, Mr. Speaker, that you can never keep down any movement by repression or force. I remember very well that even Kier Hardie, the great labour leader, preached the red flag and taught socialist hymns in the Sunday schools in my younger days. Those hymns have been repeated in this country, and many members opposite seem greatly exercised in connection with them. I do not advocate immunity for those who would take charge of the government of this country by violence and bloodshed, but I do not think the removal of this section of the criminal code will bring about any such revolution in this country. I heard the Minister of Justice mention the long list of foreigners who were connected with the communist movement. I hope he does not make the mistake I made two years ago. There was a communist riot in the city of Vancouver, and I happened to say to the mayor of that city, "I suppose most of the leaders of these men are foreigners?" He said, "You are darned right they are foreigners; the head man is a Scotchman." Scotchmen are noted however for their great love of liberty, but I would not like them to be classed as foreigners.

There is a striking difference between the attitude taken by hon. gentlemen opposite and that taken by those on this side of the house; there is really a clear line of demarcation. The Liberal party and those in this corner of the house—and this is not another move to the left—have been in favour of individual liberty and took that attitude even when this measure was introduced in 1919. Those on the government benches fear that some great catastrophe will result if this amendment is carried. But the repeal of this provision is not asked for by labour only. I have had communications from many farm organizations asking me to do everything in my power to bring about the repeal of this section if the opportunity should arise. I greatly fear, Mr. Speaker, that if a wave of panic should sweep across the country the citizens of Canada may suffer greatly; they may be subjected to many injustices on suspicion only. We are told that the courts give a man a fair trial. That may be so, but in days of panic it is possible that the courts might become a little panicky also. History has proved that repression and force never stamped out a movement such as this. We know that to be the case in connection with

religion. In the early days endeavours were made to repress individual liberty in connection with religion, but it was found that this end was not accomplished. I might say to the hon. member for Wetaskiwin (Mr. Irvine) that the greater the repression, the better for any new movement. History has demonstrated this to be the fact.

I would ask hon. members opposite to use their calm judgment; if this panic spreads among the members of the house no one knows what may happen and what numbers of people may suffer. Repression is repulsive to the Anglo-Saxon. The way to keep communism from our country is to endeavour to work out some measures which will benefit the masses of the people, and if we can do that we need have no fear of communism or of a revolution, in my opinion. The people cannot be blamed if they gather in groups and talk and scheme about a new social order. Surely it is their right to do so, especially when we have hundreds of thousands of unemployed, not only in this country but in every other country in the world. Surely, when they have lost their all and have become charges on the state, they have a right to endeavour to take steps to better their conditions and talk about a new social order. Sometimes I think the city of Ottawa is as far removed from the rest of Canada in her knowledge of actual conditions as Siberia is removed from the rest of Russia. I do not think you can properly get the viewpoint of the rest of Canada from this city.

For all these reasons, and many others, Mr. Speaker, I shall take great pleasure in voting for this measure to repeal section 98.

Hon. MAURICE DUPRE (Solicitor General): I did not intend at first to take part in the debate, but as I listened to the arguments of the ex-Minister of Justice (Mr. Lapointe) I thought I should say a few words. I heard the hon. gentleman speak in favour of the repeal of section 98, and one of the arguments he used was that the other clauses in the criminal code are quite sufficient to deal with the situation. This is the legal opinion of a high personage whom I respect, but it is not my opinion. I do not agree with the hon. member for Quebec East when he says that section 98 is legislation that should be repealed; on the contrary I think it is the only legislation which adequately meets the case against communism. In my opinion, and it is only a personal opinion, sections 87, 89, 130 to 136 of the code do not sufficiently cover communism, and if the hon. member for Quebec East is right, which I deny, then section 98 is only a mere repetition. If it is only a repetition why oppose it so strongly?

There is a very simple way of nullifying the purport of section 98 and that is for every man in this country to abide by the law and not to try to soviet or revolutionize or to overthrow the social order by force, violence or physical injury to persons or property. Section 98 does not affect the ordinary trade and labour organizations or unions; they have nothing to fear from that section. The law abiding citizen has no reason to be apprehensive of section 98, and the section is by no means an attack on the right of free speech. Any citizen may advocate the most radical changes and criticize in the most emphatic language our institutions and laws; it is only when force, violence or physical injury to person or property is used or threatened to be used that the section applies.

An additional argument advanced by the hon. member for Quebec East is this. He said that such legislation is arbitrary and contrary to the ordinary rules of British justice and British procedure. I presume my hon. friend meant en resume that it was opposed to liberalism. I wonder what liberalism he meant. Is it his own liberalism or the liberalism practised by his party in the province of Quebec? A study of the Quebec Alcoholic Liquor Act will show that by that act are abolished all the writs of prerogative. By section 139 no writ of quo warranto, of injunction or of certiorari may be granted; no writ of mandamus and no writ of prohibition may be issued. Even the sacred rights of habeas corpus are abrogated by section 130 of the Quebec Alcoholic Liquor Act. Another Quebec law, the Alcoholic Liquor Possession and Transportation Act, also abolishes all these writs of prerogative, including even the habeas corpus; whereas section 98 of our criminal code does not abolish the habeas corpus although it is for a higher purpose than the Quebec liquor acts, its object being the maintenance of peace, order and good government.

It is very amusing to hear our friends advocating the principles of liberalism. On the one hand we see the ex-Minister of Justice advocating the repeal of section 98, and on the other hand we find his friends in Quebec abolishing the writs of prerogative and habeas corpus. It reminds me of what I heard one day in Quebec; it was on the 14th of January 1933. The Liberals gave a big demonstration to their chief, the leader of the opposition, at

a huge banquet. We heard the Hon. Mr. Taschereau saying that maybe democracy had gone too far and that we should go back, and immediately afterwards we heard the hon. member for Quebec East declaring that on the contrary we should go forward. At that meeting we had the great privilege of listening by radio to the views of these gentlemen. It was a love feast of Liberal adherents and we had the privilege of listening to the most interesting contradictory meeting one could attend.

I admit that this is exceptional legislation. The Minister of Justice admitted the other day that there had been times in the past when he looked upon the repeal of this section as a matter of indifference; he even added that on one occasion he stated that this particular section had perhaps survived its usefulness and that there was no further necessity for it. But, added my hon. colleague, at that time there was no communist agitation in this country such as prevails to-day. May I add that this communist agitation is spreading and gaining ground all over Canada. We think therefore that the only legislation which adequately meets the situation is this section 98; we look upon it as a rampart against communism.

I will not quote at length some of the passages of such literature as is actually circulated throughout this country; I should be afraid of promoting its propaganda. I do say however that the Minister of Justice was quite correct when he stated that the literature circulated is most scandalous, most seditious and in many cases blasphemous and obscene.

Section 98 was inserted in 1919 and up to 1926 there was no move on the part of my hon. friends, who were then in power, towards the repeal of that provision. Then came the elections of 1925 and both parties were returned with almost equal strength. Then followed the famous letter written by my hon. friends of the Labour party, the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Vancouver asking the then Prime Minister the price to be paid if he wanted the support of the two members.

Mr. WOODSWORTH: May I say that there is no member in this corner from Vancouver, and further that no letter such as described by the minister was signed by me. I ask that that statement be withdrawn.

[Mr. Dupré.]

Mr. DUPRE: Instead of withdrawing, I will read the letter. It is quoted in Hansard of January 29, 1926, and reads:

Dear Mr. King:

As representatives of labour in the House of Commons, may we ask whether it is your intention to introduce at this session legislation with regard to—

(a) Provision for the unemployed;
(b) Old age pensions.

We are venturing to send a similar inquiry to the leader of the opposition.

Yours sincerely,

J. S. Woodsworth.
A. A. Heaps.

The hon. member for Winnipeg North Centre then went on to say—

Mr. CASGRAIN: What about the letter?

Mr. DUPRE: He said:

We sent a similar letter to the right hon. leader of the opposition (Mr. Meighen) and to the leader of the Progressives. Mr. Mackenzie King was good enough to give us the opportunity to present our case in detail, and to-day I received from him the following letter, which I should like to place on Hansard.

Then follows the letter of the present leader of the opposition (Mr. Mackenzie King). As my time is short, I shall read only a portion of this letter.

An hon. MEMBER: Read it all.

Mr. DUPRE: It appears in Hansard and any hon. member can read it. The second and third paragraphs read as follows:

You will observe that the statement made by Mr. Lapointe was in accordance with the intimation which I gave to Mr. Heaps and yourself at the time of our interview, following the receipt of the communication herein referred to.

With respect to amendments to (a) the Immigration Act; (b) the Naturalization Act; and (c) the criminal code, which were referred to at the time of our interview, I would say that having since taken up the proposed amendments with the ministers concerned, I feel I am in a position to assure you that legislation on these matters will also be introduced in the course of the present session.

Yours sincerely,

W. L. Mackenzie King.

Mr. CASGRAIN: Nothing wrong with that.

Mr. DUPRE: A few weeks after that letter the then Minister of Justice introduced a bill to repeal section 98 because he and his leader wanted to pay the price for the support of the two labour members.

Mr. FAFARD: That is the minister's own conclusion.

Mr. BELL (Hamilton): They would have gone out of power if they had not had it.

Mr. DUPRE: It was in the name of British justice and British procedure that they asked for the repeal of section 98. My question at the present time is this: Is the Liberal party having recourse to the same tactics in 1932 that it had recourse to in 1926?

An hon. MEMBER: This is 1933.

Mr. DUPRE: Are they paying a second price? That is my question.

Taking part in this debate a few days ago, the former Minister of Justice (Mr. Lapointe), after referring to British justice and procedure, said:

> Apart from that I am free to admit that temperamentally I do not like this kind of legislation. I do not believe that it is a good way to repress error.

I direct attention to the following words:

> After all, to allow freedom is the best way of dealing with people in a democracy, and I am free to confess my belief that always when truth and error are given a fair field, truth ultimately prevails. That is one of the chief reasons for my opposition to this legislation.

An hon. MEMBER: Who signed that?

Mr. DUPRE: That is the Liberal doctrine, let truth and error, bad and good have a fair field. Truth and good will prevail ultimately; if they do not, so much the worse for truth and good. I commend these words of the former Minister of Justice to the people of this country and particularly to the people of my province. I think they are a vindication of what the hon. member for Labelle (Mr. Bourassa) said, that the essence of Liberalism was to have no principle. No wonder some of us seem to think that the former Minister of Justice, consciously or unconsciously, is drifting towards the extreme left. It is because we do not want to give error a fair field, it is because we feel that error should not be given a fair chance, it is because we do not belong to the same school as the former Minister of Justice, that we ask for the maintenance of section 98. Shall we permit in this dominion the use of force, violence, intimidation and terrorism? Shall we permit communism to flourish? Shall we permit a civil war? My answer is no, and that is why I shall support the amendment of the Minister of Justice (Mr. Guthrie) asking for the six months' hoist on this bill.

Mr. SAMUEL FACTOR (Toronto West Centre): Mr. Speaker, after listening to the remarks of the Solicitor General (Mr. Dupré) as to why section 98 should remain upon the statute book, I have come to the conclusion that he has three reasons for the stand he takes. The first is that he does not like the former Minister of Justice (Mr. Lapointe); second, he has no love for the hon. member for Winnipeg North Centre (Mr. Woodsworth) and, third, he feels that section 98 is necessary to combat Liberalism in the province of Quebec.

Mr. BELL (Hamilton): Or anywhere else.

Mr. FACTOR: Before I continue with the history of this question may I, shall I say apologize, or, say a few words in defence of my action in supporting this bill? It has become fashionable in this house when any member desires to support any legislation or any proposed changes in our present laws for him at once to assure the house that he is not a communist. I say that without any reservation, and I also assure hon. members that I do not favour force, violence, terrorism or any other similar methods of procedure referred to in this debate. I am wholly in accord with the policy of expressing ourselves by means of ballots rather than bullets. Now that I have made my personal explanation and feel satisfied that even hon. members opposite will realize I am not at all in league with Moscow and have not received marching orders from Russia, as the hon. member for Toronto Northwest (Mr. MacNicol) put it, I purpose to discuss the enactment dispassionately and without in any way making a speech either in favour of or against toryism or in favour of or against liberalism.

First, I must make this general observation. It has become a popular pastime, particularly on the part of hon. members opposite, if any member, especially on this side of the house, advocates some measure of reform, some change, to discredit him on the ground that he is a communist, to criticize his action and to represent him as being in league with Russia and communism.

Mr. BELL (Hamilton): The hon. member looks like a communist. That is the trouble.

Mr. FACTOR: All I can say in reply to the hon. member is that if all the communists in Russia look as mild as I do, well—

If an hon. member advocates in this house some measure of reform, there are immediately hurled against him the epithets "bolshevist," "communist," "red." The people in this dominion are getting tired of this kind of talk; it lacks intelligence. It is silly to hurl such accusations against any hon. member who discusses something which he thinks is for the good of his country. If we ever hope to solve the difficult and complex problems with which we are faced to-day, we must have free, unfettered and enlightened public opinion and not the application of the iron heel.

Section 98 was introduced in 1919 to meet post-war conditions. We were still suffering from war hysteria and were willing somewhat to restrict and abridge our liberties. The result was the measure which appears on our statute books and which is now known as section 98. But let me remind you, sir, just as the Minister of Justice (Mr. Guthrie) pointed out the other day, that this legislation was not passed unanimously. When the draft bill was referred to the committee, it was, as the Minister of Justice told us the other day, passed by a majority of one vote in favour of reporting it to the house, and it was subsequently enacted by parliament.

Let us for the moment examine section 98. The first paragraph refers to any association, and so forth, that advocates force, violence or physical injury. No hon. member will be a party to advocating violence or physical injury to any person or property. But what is the meaning of the word "force"? If the words "physical injury" are used, why put in "force"? Is this not a case of moral force?

A recent occurrence in Toronto shows how extremely ridiculous a situation may be rendered. A couple of young lads from the Jarvis collegiate were distributing cards to their co-students to attend a meeting of the high school boys to discuss social and economic problems. The principal of the school, after looking at the cards, was rather put out and called in a policeman. The policeman thoroughly examined the boys and ascertained that they were calling a meeting of the high school students in a certain hall for the purpose of discussing social and economic problems. But through some workings of the police, the owner of the hall was frightened out of allowing its use to those boys, with the consequence that the meeting was cancelled. Just imagine! High school boys gathered together for the purpose of discussing our social and economic problems, and the power of the police force used against them with the result that they are unable to meet and discuss those problems!

Mr. YOUNG: That must have been in Toronto.

Mr. FACTOR: Yes, it was. Section 98 is a vicious piece of legislation. It will not be found on the statute books of any other English speaking country in the world. I challenge any hon. member opposite to name any English speaking country on this continent or in the world which has a similar section in its statute books. It is entirely un-British both in substance and in the penalties imposed. In the section there is one clause which prescribes twenty years in prison for wearing a button. This provision is a very dangerous weapon in the hands of a weak government, as was ably illustrated by the speaker who preceded me. It is urged that this section is required to combat communism and those who advocate violence and terrorism. My answer to that is that there are in the criminal code at present sections sufficient for the purpose. There are all the sections concerning sedition and unlawful rioting. The danger in this legislation lies in the fact that it may be used against organized labour. Legitimately organized unions and organized labour have in years gone by protested against this legislation. I admit there is considerable unrest in Canada, and under the pressure of poverty and distress there are a few harebrained and irresponsible persons who advocate force and violence, but surely that is no reason for our losing our heads and becoming panicky and allowing legislation of this kind to remain on our statute books.

I did not have the pleasure of hearing, but I was rather amused to read, the speech of the hon. member for Toronto Northwest. From it one would imagine that Toronto is absolutely overridden with communists and that anyone speaking on a Toronto platform and advocating some measure of reform is taking marching orders from Russia, as the hon. member puts it. The hon. gentleman is seeing red; that is the difficulty. I notice he quoted from the statement of the communist party. I advise him to dispose of the document quickly, otherwise he is liable to be charged with possessing unlawful literature.

## SUPPLY—INSPECTION OF CANNED SALMON

### STATEMENT OF MR. NEILL ON MOTION OF MR. GUTHRIE FOR COMMITTEE

The house resumed consideration of the motion of Mr. Guthrie for committee of supply.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, when I was speaking on this order in council this afternoon I tried to lay down the premises that it had, so to speak, two angles, two faces: one I deemed the obvious, so to speak the face value of it, the ostensible reason, and the other side or face or angle was what I termed the indirect or ulterior which I alleged was the real reason that this order in council was introduced. But in dealing with that phase of the matter in connection with the ostensible reason, I omitted to

discuss one branch to which I should now like to revert before picking up the thread of what I was saying at six o'clock.

That order in council, before it was amended, read like this:

> Canned salmon that are found by the board of inspection to be fresh, firm, well packed and in good merchantable condition shall be approved and a certificate in the form attached, marked "A," shall be issued therefor.

That was the original order in council. Then by order in council No. 206 the following words were added:

> Provided that no certificate shall be issued for canned salmon that had not been landed fresh at a cannery for canning within twenty-four hours after being caught, excepting fish that has been gutted and iced immediately after being caught.

I direct the attention of hon. members to the last twelve words. While this afternoon I quoted them, I did not dwell upon them. I feel there is an argument in that connection which might be used against me, and for that reason, for a few moments, I revert to the matter. The argument might be that while I have made a great deal of fuss about the restriction imposed by this provision which provides for landing fish at the wharf within twenty-four hours after catching them, my objection would be dissipated if the fishermen complied with the last twelve words of the order in council and saw to it that their fish had been gutted and iced immediately after they were caught.

I realize that it is somewhat difficult, in connection with a measure like this, to explain the obvious difficulties. However, I shall make an attempt. There are three main branches of fishermen, namely, trollers, gill netters and seiners. The trollers might possibly, and very often do, gut and ice their fish as they are canght. It is possible to do that, and many of them do it because they catch them one by one, and it is not difficult to gut and ice as they are caught. However, in regard to gill netters and seiners the position is altogether different. In the case of gill netters the process would be difficult and expensive, and so far as seiners are concerned I should imagine it would be almost entirely impossible. Of course, in one sense, nothing is impossible. If one is willing to spend enough money, time and perhaps human life, he can do a great many things. But when we speak of a thing being impossible in a business and economic sense we mean that it cannot be done at a cost which would leave any profit or margin for operation. Hon. members will readily understand that for purposes of economy the boats used must not be too extensive in size. If they were they would require too large engines for operation, and would not be able to operate in shallow waters. Further, they cannot have too elaborate or extensive accommodation for the crew. Space must be cut down to a minimum.

The average purse seine boat is run by from five to seven men—not more than seven. They have very narrow and small quarters for the crew. The whole of the remaining space other than that taken up by the engine is used for the storing of fish. Then, considerable space is required for the net, which takes up a lot of room and then, of course, further space for the fish. Every inch of free space must be given to accommodate the fish, and the hold when filled is loaded until one could not put another fish into it. In catching the fish large seines are used. They are run out in a circle, and are brought in as quickly as possible, because there is a time limit. Those seines are brought back to the boats from which they started. Then, by means of a winch on the boat, the nets are brought in. These are called purse seines, because there is a cord attached which pulls it together like the old fashioned purses that the ladies used to use. When it is pulled together it is hauled to the side of the boat. The problem of getting the fish out of the net then presents itself. I do not want hon. members to think that that operation is always performed in smooth water. If the boat is tossing in a choppy sea the operation becomes more difficult. One of the seven men must stay by the engine, and the other six are very fully occupied, and taxed to the limit of their ability and power to unload the fish. The fish are generally unloaded by means of what is known as a brailer. This article is something like a big scoop made with a net with an iron around it attached to which is a long handle. This is operated with the winch and is let down into the seine alongside the boat, and with it they dish up three or four dozen fish. When they get the fish aboard, there is only one place they can be dumped, and that is into the hold. If the fish were placed on the deck, loose, quite possibly they would roll overboard the next time the boat rolled. For that reason the fish have to be brailed right into the hold.

For the reasons I have already indicated it would be impossible to have double space so that the fish brailed out of the net could be put into number one hold so that the crew, after they had finished unloading, could set to work to gut and ice. The men could not be spared for the process, and further than that it would take five or six hours to gut and ice the quantity they would take. Meantime the

boat with its costly equipment would be lying idle. Such a boat could not carry enough crew to do all the operations simultaneously because the accommodation is limited, and the expense of carrying such a crew would be prohibitive. So far as I am concerned—and I am not trying to make a partisan statement—I am convinced it would not be economical to gut and ice the fish taken by a seiner. Further, I think it would be very difficult to gut and ice by gill netters. That, I believe, is an argument against the suggestion that the whole matter might be very easily overcome by simply gutting and icing. It is all very well to make that statement, but in my view it is a requirement impossible of fulfilment.

I shall now return to the point I had reached at six o'clock. I was dealing with what I called the real motive or object—perhaps object is the correct word—for the introduction of the order in council. I said this was an attempt made by the canners who had tried by thoroughly legitimate means to repeal the legislation passed in 1918 by the Union government, which proclaimed the open door in fishery matters. I said it was an effort on their part to get back to what they termed the good old days, when each man owned his own water, and so on. I said that, failing success by way of changing the legislation, they had sought to achieve the same results by having changes made in the regulations covering fishing. In their view it would have had the same effect, while ostensibly their efforts would have been devoted towards the conservation or improvement of quality and so on. The methods by which they sought to bring about these results were quite numerous, and for that reason I shall deal with only three of them.

Many methods were suggested, and at one time I was familiar with all of them, because these efforts have been continued for about ten years. I have files in my room and at home which would fill a wheelbarrow dealing with the different attempts made to get indirectly what they could not get directly. The three main methods which come to my mind at the moment—and I state them because I know they have been the subject of attempts quite recently—were first, that fish caught in an area would have to be processed, or manufactured in that area, and could not be taken into an adjoining area. I should add that when I use the term "area" at least some hon. members will understand that the whole of the waters is divided into areas. Had they been successful their object would have been attained, and they would have had the whole thing in a nutshell, because they would have cut off the cannery which did not have an area, and would have made the individual fisherman the servant of the cannery. The fishermen would have had to take the prices offered by those canners. If they did not choose to accept those prices their punishment would have been that the canners would not buy their fish.

The second attempt was along the lines of limiting the distance fish could be taken after being caught. That contention was in favour for quite a time, but there were so many obvious reasons against it that eventually it was abandoned.

Then, the third attempt was towards limiting the time within which fish caught would have to be canned. If the processing in area in which fish caught had been established it would have affected not only the outside cannery but also the fishermen. I want to explain what I mean by the outside cannery. When the open door was adopted it became possible for a cannery to be put up not immediately adjacent to the fishing grounds, and they depended upon getting their supply of fish, under the laws of Canada at the moment, anywhere they could. This processing in area regulation would eliminate them. As time went on it was found that a different system as regards the place of canning was more profitable. In the old days when a cannery was located say in the Skeena district it was at an isolated place, no town, no village, no residents, just used for six or eight weeks in the summer time. The cannery owner would have to send up the whole equipment from Vancouver, perhaps five hundred miles away, and not only the whole equipment, but the whole provision for a preconceived pack. He would have to get cans for perhaps a big pack, would have to guess as he best could what the pack would be, and would have to buy cans for that pack. He would have to make arrangements for sufficient labourers to handle that big pack; he would have to take food for them and start a village and make provision for all that goes with quite a large settlement for the time being. Then, as nature cannot be counted on, it might turn out that the pack would be disappointing; he would have large supplies of food and tins, and a large amount of labour employed which he could not use, and would be burdened with heavy charges for taking it up and down again. So it was discovered that he could do better by locating his cannery at a place like Vancouver or Alert bay or Port Alberni, where he had ready access to wholesalers, and did not need to buy even five sacks of flour more than he needed. In fact the question of

feeding his staff was almost non-existent, because they would have their homes there. There was no question of getting an under- or over-supply of labour; ample was available. And while the transport of the fish cost a little more, by putting on fast boats with Diesel engines that can be run on fuel oil at a very cheap rate, it was found more profitable to have the cannery at a centre of population than to have it away off in a remote place. Consequently these canneries have grown up. If this order in council goes into effect and operates as I think it will, these canners will just be out of luck because they will not be within twenty-four hours run from where the fish are caught.

As I have said, these attempts to get this legislation put through were not confined to a day, but continued through a series of years. For a number of years the obvious injustice of some of these things I have mentioned prevented them being put into effect. It did until last year, in fact up to this year. Just recently—I mentioned it in the letter I wrote to the department on the 10th of January—I heard a whisper in Vancouver that an attempt was going to be made to put it over this department along the lines of processing in area and preventing the fish from being canned unless they had been delivered at the wharf within twenty-four hours of being caught. The processing in area has failed for the moment—I anticipate it is only for the moment—but they did put it over as regards time limit within which the fish had to be delivered to the wharf. They have slipped it in under cover of this order in council as an amendment to the inspection regulations. If they get by with it this year, it will be a very apparent handwriting on the wall indicating that we will find the idea of processing in area introduced next year, and then heaven help the independent canners and all the money they have spent, and still more the independent fishermen, who will be reduced to a condition of servitude. That, I claim, is the real objective of this order in council, and I defy anyone to convince me otherwise. That is why the demand for the order in council came not from the purchasers. It came not from the inspectors, to whom it must be a nuisance and an interference with their work and a reflection on their ability if not their integrity. It did not come from the departmental officials, at any rate up to two weeks before the order in council was passed they said they were satisfied. But it came from those who in the language of the department control ninety per cent of the fish canned, but not ninety per cent of the canneries. It came from the men whose goods were subject to inspection; apparently their views on the method of inspecting their product had weight with the department. One would think that those were the last people to whose opinion consideration should be given as to what was the best way of controlling the inspection of their stock. The undoubted result will be, as I have said, to eliminate the smaller and newer canneries in Vancouver and elsewhere, and worst of all to eliminate competition in the buying of fish, because the fishermen must sell to the local cannery. I have heard it said: "Oh, there will be competition, because there will be two canners in a given area." But how long will it take two canners to get together? I have been in business and I know how readily that would be arranged. So it would make it impossible for them to have competition in price. Hitherto, if the local canner does not or cannot or will not give a reasonable price, the fishermen could send their fish away to another canner, or they could invite a packer, that is a boat that carries fish on contract, to come into their neighbourhood. I am not suggesting, I do not want to be thought of as suggesting, that the canners are full of nothing but malice and ill will, and want to injure the fishermen. Not at all; there are many fine canners who realize that the best interests of both are served by getting the fishermen and the canners together. I have heard many canners say that they think the best ultimate condition will be when the fishermen do nothing but fish and the canners nothing but can. I say it is not always the fault of the local canners that they cannot give a sufficient price to the fishermen. It may be due to accident; it may be that the canner did not lay in enough cans, that he did not have a cannery of sufficient size, or maybe he had put up enough for all the orders he had and did not care to or could not go any further, or maybe he had exhausted his financial backing. All or any of these reasons might suffice. It does not mean at all that these men are necessarily trying to work an injustice or hardship on the fishermen because they offer him a price he could not accept. I want to quote a canneryman on this point:

> Taking these facts into consideration we can only assume, subject of course to correction, that this regulation was passed to assist certain powerful canning interests who have canneries situated on the fishing grounds and who wish to embarrass others not similarly situated who rely upon collecting boats for their fish. Our experience has been that canners sending out collecting boats, properly iced, pack a better grade of fish as a whole than those situated on the fishing grounds since in the majority of cases the latter have no ice available and not having far to run do not take the same care of the fish.

And he goes on to say:

We are well aware that our protest will be "as the voice of one crying in the wilderness" yet we feel it to be our duty to make it when, as we see it, sectional legislation that will not stand argument is placed on the statute books of Canada.

I want to quote one which surely is from an independent source, namely a cold storage plant. This I took out of a Conservative paper, and I had no knowledge of it before. The letter from the canneryman also came to me quite unsolicited. I might be making an ex parte statement on behalf of the fisherman, but I could not have invented this article in the Victoria paper. This is an article by the manager of a cold storage company on the coast. He says:

Mr. McBride interpreted the twenty-hour limit clause for delivery of purse seining catches to canneries as a blow at the independent fishermen.

Notice that, Mr. Speaker.

He pointed out that it would be extremely difficult for independent fishermen to complete their catch and deliver the salmon to the canneries, either along the west coast, or in Victoria, within twenty-four hours of making the catch.

That is an independent, unbiased opinion from men with whom I have not communicated and whose views I have not requested. Certainly it coincides with the opinion I expressed. I have a letter from the department from which I must quote just one sentence. It says:

From the aspect of preventing competition for the catches of the fishermen this regulation should have no detrimental effect. On the contrary it should result in the fishermen obtaining higher prices for their fish.

If that gets into the press, Mr. Speaker, it will be laughed at from Prince Rupert to Vancouver and from Ketchikan to Seattle. The idea is ridiculous that in a narrow, constricted area, by reducing the number of buyers to one man or one company you are going to increase prices. If that is not enough to make one laugh I do not know what is.

Mr. STEVENS: There is no suggestion in the order in council that the number of buyers should be reduced to one company.

Mr. NEILL: No, but I am talking about the effect.

Mr. STEVENS: Nor is that the effect of the order.

Mr. NEILL: Well, I have read what the manager of the cold storage thinks, so I am not the only one who makes this statement. As I have said, it will result in the independent fishermen being driven out, and that is a very shortsighted policy. It is to the real interest of the cannerymen to support the independent fishermen and not have to invest huge sums of money in equipment and have men on wages and so on. I might say also—and I do not know whether this will have any effect on the government—that is just so much more propaganda for the reds.

Now I should like to sum up the situation very briefly. The order in council is irregular, I contend, because this measure should have been brought in by an act of parliament, and the question should have been referred to the select standing committee on marine and fisheries. Also it is a breach of faith and a departure from the policy which has been followed for quite a number of years. The ostensible reasons given, with which I have dealt, are unworkable and superfluous and I doubt if they are intended to be enforced. I might pause here to say that after all it does not make any difference to my argument whether or not I am correct in saying that this order in council was introduced at the instigation of certain parties for a certain purpose and with a deliberate, preconceived and ulterior motive, or whether I simply make the allegation as I do now that the result will be as I have stated. Let us forget about motives for the moment, and forget about the origin of this measure; at least the result will be as I have stated, no matter why it was brought in. It will put out of business the independent canneries and very nearly ruin the independent fisherman. He is nearly ruined now, and you are going to destroy the market for his product. Already prices are insufficient to maintain a decent livelihood. The fisherman is handicapped by the high price of gasoline and by the phenomenally low price of fish, as well as by the further fact that in many districts the market is lacking altogether. There is no use catching certain grades of fish because there is no market for them, and now the fisherman is to be restricted as to where he can sell his catch. I wonder what hon. gentlemen opposite and those to my right who represent constituencies where wheat is grown would say if they were told that in view of some supposed benefit to be derived from the quality of the wheat they were to be compelled to sell their wheat only to their country elevator. There would be a bloody revolution. It may be said that there are two elevators in the village and that a farmer could sell to either one. How long would it take them to arrange matters between them? There are so many technicalities in connection with the fish trade, and they are so difficult to understand and explain, that it is not easy to see that it is just as impossible in the one case as in the other.

I started out with the intention of moving an amendment to the motion to go into supply. I am not going to move the amendment, but I should like to read it:

That all the words after the word "that" be struck out and the following substituted in lieu thereof:

This house recommends that the subject matter contained in order in council No. 206, be referred to the select standing committee on marine and fisheries for discussion and report.

My excuse for moving this amendment would have been that it was the only way I could bring this matter to a vote. I cannot bring this question before the house by means of a resolution because, as we all know, private members' days soon will be taken away from us, and it would be impossible to reach that resolution. I think the urgency of the matter would justify my moving such an amendment, but I am not going to do so because that would mean a vote of want of confidence in the government, and of course that would be used against me; hon. gentlemen opposite would say I was playing politics. I would rather leave the matter to the goodwill and judgment of the government, and I ask them if they will not refer this matter to the committee on marine and fisheries. Surely that is not a drastic step to take. I am only asking that the matter be investigated. The government will have a majority on the committee, and they need not fear any ill considered action being taken. I am not afraid to leave the matter to the committee, because all I want is an investigation and to have some publicity thrown on the matter with all the facts brought to light. I will be satisfied with the judgment of the committee. I feel sure that if the government would take this step this legislation, which came in through the back door by means of an order in council, would be thrown out the front door in the interests of fairness, equality and justice and to the ultimate benefit of everyone concerned in the fishing industry.

Now it is very much up to the government. What are they going to do? There are thousands of fishermen in British Columbia whose livelihood will be seriously imperilled if conditions remain as they are. These fishermen will be waiting for the decision of the government with anxious hearts, and I hope and trust that the government will see their way clear to allow this matter to go to the select standing committee on Marine and fisheries.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, for over an hour and a half the hon. gentleman has regaled the house with a dissertation on fishery affairs on the Pacific coast. I shall not attempt to follow him, either in the extreme language he has used in describing matters which are capable of being discussed in the most ordinary way, or in the extravagant manner in which he has referred to this matter.

These regulations arose out of certain matters which were brought to my attention as Minister of Trade and Commerce, and I wish to take a measure of responsibility for the order in council to which reference has been made. Canada has a very valuable canned salmon business, which is largely limited to the Pacific coast. Our exports of that class of goods amount to from $6,000,000 to $9,000,000 a year. I think for the past two years they have amounted to something over $6,000,000 yearly, so it will be seen that this business is very important. About half these exports, roughly speaking, go to the United Kingdom, while our exports to Australia total over a million dollars, and in addition very considerable quantities go to other countries scattered throughout the world. It is highly essential that, so far as possible, we should maintain the quality of this product. Canada has achieved a very good name for its canned salmon in all the markets of the world. During the last ten years, in fact for a good many years, we have been faced with keen competition from the United States in fish packed in Alaskan waters and in adjacent American waters, but in more recent years Japanese salmon caught off the Siberian coast and the northern coast of that country has been a very serious competitor with our product in the world market; and during the past three years or so Russia also has come on the market with an excellent product in the form of canned salmon, making the competition against the Canadian product more and more keen.

We have been rather jealous of our pack. Efforts have been made for years to ensure that it should be uniform and of high quality. It is quite true that salmon of the same variety caught in different sections will frequently be somewhat different in colour and in the quality of the product, but efforts have been made for many years to maintain at least some standard of excellence in our product. During the past year, through information obtained from the commercial intelligence branch of the Department of Trade and Commerce, we learned that the Canadian pack was deteriorating in some respects. Some portions of the pack had been called in question by importers, and indeed very serious loss to our business was

threatened because of the lack of excellence in the pack. During the past three years a very close study was made of the problem and an inspection system was perfected last year. This system is not considered to be the final word but it was certainly the result of a very careful study by all concerned, and of a genuine effort to meet an exceedingly difficult problem with which we were confronted, that of inspecting, without too much cost, this very important problem.

My hon. friend himself admitted, after outlining to the house what he considered would be a satisfactory system of inspection, that it would be too costly to place an inspector to inspect every fish as it went through the various processes of packing, and so it was decided to appoint a board of inspectors and to stipulate that before the goods were approved they should receive a certificate from that board. The hon, member was good enough to pay a high compliment to these inspectors. He said that they were capable men, honourable men and good men. I do not think he would dare say otherwise. They were chosen by the trade in conjunction with the officers of the Fisheries department, and I think they are making a genuine effort to maintain the standard of excellence we have achieved and which we hope to preserve.

In any matter of this kind there are bound to be difficulties. I fear I shall have to ask the house to permit me to go back very briefly and refer to what has already been mentioned by the hon. member for Comox-Alberni (Mr. Neill)—some of the earlier history of the canning business. I do so merely for the purpose of making clear the point under discussion. Twenty, twenty-five or thirty years ago it was the custom in this country to issue a licence to the cannery and to allocate to that cannery a specific area which was to be in water contiguous to it, and all fish in that area had to be carried to that particular cannery. That worked quite satisfactorily for a great many years, as the hon. member himself has admitted, but certain abuses crept in, one of them being a tendency on the part of the owner of the cannery to retain complete control of fishing gear and so on. The federal government in those days issued what was known as a boat rating, allocating to each cannery thirty or forty boats according to its capacity. Each boat was licensed, the licence was held by the cannery, and the cannery would permit a certain crew to take boats out and fish, the fish being delivered to the cannery. Long before my hon. friend came into the house, I had taken the opportunity to point out some of the abuses which accompanied that system, and I was quite pleased to endorse fully the action of Mr. Ballantyne, when he was Minister of Marine twelve or fourteen years ago, in changing the system. During the past few years however the whole coast has been open; that is to say, fish might be caught near Prince Rupert and carried five hundred miles down the coast and canned in a cannery on the Fraser river or at Vancouver.

Obviously it is not good business to carry fresh fish such long distances, and in many instances by the time the collecting boats had collected the fish and carried it four or five hundred miles down the coast to the canneries at Vancouver or thereabouts, as great a period as forty-eight hours and sometimes sixty hours would elapse, and more than that indeed. Now I say it is obvious that the more quickly fish can be canned the better the quality of the output; and generally speaking our competitors on the other side of the Pacific, the Japanese and the Russians, and also the Americans in Alaskan waters, catch their fish and take it to canneries located within a comparatively short distance of the place where it is caught. So that their fish is fresh and firm and the colour is not impaired. On the other hand, a fish might be carried for two or three days and still might not be too bad. It might not be bad in the sense of being spoiled, but it would not be what we call prime product.

During the last year or so there has grown up a new practice and it is this. Individuals would have boats of a certain capacity, gas boats. I do not mean the small fishing boat but something of the tug type—my hon. friend from Antigonish-Guysborough (Mr. Duff) could give a better description of it than I can. The type of boat I am speaking about is a power boat with capacity for carrying the catch of a score or more of fishing boats, and it would go up the coast and collect from this and that fisherman throughout the fishing grounds, dumping these catches into the hold and carrying the fish hundreds of miles down to the cannery or selling it to some cannery in the neighbourhood. It may be asked, what is wrong with that? Well, there was certainly this wrong with it, that it imperilled the excellence of the catch; and I submit to the house this point at least, that whatever else this or any other government does in connection with our fisheries or in connection with our products generally, if we have any control at all we ought to see that the product is placed on the market in as prime a condition as it is possible to have it, and anything that detracts from such excellence must command and challenge the attention of this house.

Now there is positively no question that the excellence of our pack was impaired and that it deteriorated as a result of this practice. The hon. gentleman would have the house believe that we are going to deprive the fishermen of a free market. In his closing remarks he said that these fishermen were having their livelihood imperilled by this order in council. What are the facts? I say to the hon. gentleman, or perhaps I should say it to the house as it is quite useless to address my hon. friend: All questions have two sides. Of that there is no doubt. This government is not disinclined to listen to any reasonably honest presentation of the other side of any of its actions or the questioning of any of its actions. However, I am disinclined to attach much importance to much that the hon. gentleman has said.

Mr. HANSON (Skeena): I think he knows more about fish than any hon. member on this side of the house.

Mr. STEVENS: On that side of the house, that is possible.

An hon. MEMBER: Any side.

Mr. STEVENS: As I say, there are two sides to all questions. I am quite willing and quite prepared to admit that there are two sides to this question. We are not adverse to this matter being called into question and to having it examined carefully, but we should look at some of the facts before we jump to conclusions.

The Pacific coast of British Columbia is divided into three large fishing districts, and each fishing district contains from six to a dozen subdistricts for inspection purposes. The districts are very large and each contain a large number of canneries. The hon. gentleman sought to leave the impression with the house that there was but one cannery to a district. The hon. member shakes his head, but he will remember that I interjected while he was speaking to point out that that was not the case. Perhaps I should have secured a map of these districts, but I think I am safe in saying that there are from ten to fifteen canneries in each district, and even more in some districts. I will admit that last year they were not all operating, but a great many were. The fishermen in a district are at liberty to sell their fish to any cannery in that district. The hon. gentleman shakes his head, but I say positively that that is the case. I shall repeat it so that there may be no doubt about what I am saying. The fishermen in any one of these districts are at perfect liberty to sell their fish to any cannery within that district.

Mr. NEILL: Subject to this twenty-four hour rule.

Mr. STEVENS: Certainly, but he is within twenty-four hours of any point in that district. Due to weather conditions it might be possible that a fisherman out on the west coast of Vancouver island could not come around the lower or nothern part of the island to some remote cannery on the inside of the channel within twenty-four hours, but there are a number of canneries on the west coast of Vancouver island quite convenient to the fishing grounds where the fish are naturally caught. The fish to which my hon. friend referred that are caught outside and are brought into the Fraser river are largely fish caught by seiners out in what might be called extraterritorial waters. The fishermen on the west coast of Vancouver island near where my hon. friend lives have a number of canneries in that vicinity to which they can sell their fish. There are no complaints made as to the facilities for selling fish in that district.

This order in council which has been beleaguered so vigorously this afternoon, which has been condemned by my hon. friend, is precisely in the terms of another order in council which has been on the statute books —if you like to use that term—for many years. The hon. member has been sitting in this house for seven or eight years while that other order in council has been in force and he has not said a word about it. That order in council proscribes the movement of fish from Queen Charlotte island to the mainland. The hon. member for Skeena (Mr. Hanson) knows that.

An hon. MEMBER: Prescribes?

Mr. STEVENS: Proscribes the movement of fish from Queen Charlotte island to the mainland. This order in council was prompted by the previous order which has been in force for years. Did we hear the hon. gentleman spend an hour and a half in condemning the government which he was supporting at that time because of that order in council?

Mr. NEILL: That is not in my district.

Mr. STEVENS: The hon. gentleman says that that is not in his district, but is the whole Pacific coast in his district? For an hour and a half he has been talking about the whole Pacific coast. As far as the fishermen in his district are concerned they can sell their fish to forty or fifty different canneries contiguous to his district. The point to be brought to the attention of the house is that an order in council in precisely the same terms has been in force for years.

Why was this order in council passed? As I have intimated, information came to us from all parts of the world—the hon. gentleman cited one from Australia—that there was a deterioration in the standard of our fish.

Mr. NEILL: That is hardly fair. The letter I quoted had nothing to do with quality.

Mr. STEVENS: Will my hon. friend be kind enough to contain himself? He has had an hour and a half of this.

Mr. NEILL: The minister must not make a mistake.

Mr. STEVENS: My hon. friend did not catch what I said. I will put it in the first person. Information came to me in my capacity as Minister of Trade and Commerce from Australia, Great Britain and different sections of the world that our canned salmon was deteriorating in its standard, that it was not as good as it had been. I became somewhat alarmed about this and I took up the matter with my colleague, the acting Minister of Fisheries (Mr. Duranleau), and the outcome was this order in council. After studying the situation for months we found that the movement of fish over long distances on the Pacific coast caused a deterioration in the condition of the fish when brought to the canneries for canning purposes. We felt that it was desirable to restrict the movement of fish virtually within the district in which they were caught. The order in council provides for a movement of twenty-four hours, and the hon. gentleman asks how we are going to enforce that. I will admit that with clever men designing to evade it, it can be evaded just the same as any other regulation. However, we are advised by the inspection officers, and they are a fine group of men, that it can be enforced and that they will be able to control that movement, which in my opinion and in the opinion of those most concerned is seriously affecting the salmon pack. It is felt that the delivery of fish to canneries within a reasonable distance of the place where they are caught will result in an improved pack and the saving of this industry from serious loss in its reputation and standing abroad.

I wish to refer to some statements made by my hon. friend, because I think it would be a great mistake to allow them to remain on Hansard unchallenged. I admit that his manner of presenting his views is very effective, certainly when it is not tried too often. He said that this order in council stated that the fish must be landed within twenty-four hours, and he then went on, with tragedy in his voice, to say that the order did not state that they must be canned. He said that they could be allowed to lie there for an indefinite period. Does he or anyone else think that a cannery with thousands of dollars at stake is going to receive nice fresh fish and allow them to lie on the wharf in the sun? The first principle of proper cannery operation is to get the fish canned as quickly as possible.

Mr. NEILL: Why not say so?

Mr. STEVENS: No one needs to say it to any intelligent person. That is the first principle of successful operation of a cannery, so that when the fish come within the twenty-four hour period to the cannery, they will be canned as quickly as possible.

The hon. gentleman said that something had been put over and that this had been done in the dark. All I can say is that in my department we gave it a great deal of study and thought. There was no attempt to put anything over; it was done just as was the previous order, under the terms of the act that empowered us to do it, and it was done for the purpose that I have mentioned.

The hon. gentleman referred to the inspectors, indicating, as I said a moment ago, that the inspectors were capable. Then he spent about fifteen minutes ridiculing the system of inspection we are at present carrying on. I have already intimated that we do not assume that this system of inspection is perfect. It has been put into operation for one purpose, namely to seek the improvement of our product. How is the inspection carried out? It is carried out precisely the same as that of almost any other product that is put into a container.

Mr. DUFF: Under the Meat and Canned Foods Act?

Mr. STEVENS: Yes. Take fruit that is boxed or barrelled. It is inspected by selecting a number of boxes, taking one here and there, and inspecting them. If any suspicion is aroused by the boxes that are opened, a closer inspection is made and a larger number are opened. When these canned salmon are brought to the point of export, generally Vancouver—although it is not essential that they come to Vancouver because the inspector will if necessary go to an outport—and put into the large sheds, the inspector goes into the warehouse, takes a box here, then passes over a dozen boxes and takes another there, and so on, and inspects the condition of the salmon in the can. If he finds the pack is not up to the standard fixed by the inspectors and the department, then the shipment is not given a certificate for export as No. 1.

The hon. gentleman read a letter which he had received from Australia. Just what his point was in reading that letter I could not quite see; I followed him with some care, but I did not just see the application. He now disclaims any suggestion that his reason was that the pack was inferior. The letter referred to this: Canadian canned salmon had been shipped to Australia and it was labelled "pinks" or "chums" or whatever quality it was, but some unscrupulous individual or dealer in Australia took the labels off and put on others indicating that it was first-class red salmon, sockeye, although it was not sockeye and it was not first-class red salmon, so that this admittedly inferior salmon was being marketed in Australia as No. 1 fresh, thus injuring our reputation in that market. Officers of my department were brought into contact with the matter and it was taken up with the Australian government and adjusted, I think quite satisfactorily, because the Australian government would not knowingly countenance anything of the kind.

Further, suggestions have come from Great Britain as to the inferiority of the pack. I am sorry that the matter comes up in this form, because we are simply giving publicity to it and probably doing still further injury to the reputation of our salmon. We are exceedingly jealous of the standard of our products, not only canned fish but other commodities, but now that we are discussing this, I am referring to canned salmon. We feel it is our duty to do everything we can to maintain the high standard of that product. We want the people abroad to feel that when a Canadian official inspection certificate goes with a shipment, it will carry the same weight abroad as would grain shipment certificates. That is what we are seeking to do, and what we have done was with one desire and one object only, namely, to achieve that end.

In regard to the fishermen, let me say this: no fisherman is forced to take his catch to any one cannery, as was urged. On the contrary, as I have already indicated, he is at liberty to take his fish to any cannery within the sailing distance mentioned in the order, and without doubt he will have the chance of any one of at least a dozen canneries where he can market his product. I can give more detail of what has been going on with regard to the practice that I have mentioned of these collecting boats going out, but I do not think it is desirable to do so. I do not wish to stir up undue controversy, but I should like to impress upon the house that what I have said is our object, our desire.

My hon. friend referred a moment ago to wheat. He said: What would you think if we were to pass a law saying that our wheat had to be taken to one elevator? In the first place wheat is not a perishable article like fish; it is an entirely different kind of product; and in the second place, as I have already shown to the house, there is no such limitation.

Let me say to my hon. friend and to the house that the government is disposed to give the fullest consideration to any reasonable representations that may be made as to, shall I say, the adverse effects of this order, if there are any such. We are quite prepared to receive those representations and to give them every consideration. I deplore the extreme terms in which the hon. member for Comox-Alberni put forward his case. It is very difficult to administer fisheries; there are conflicting interests. I deplore the reflection upon the cannery interests, because I believe on the whole the men operating the canneries on the Pacific coast are doing the best they can for the trade in which they are engaged. That their interests at times conflict with those of the fishermen, would be expected, and they undoubtedly do. But I want to assure the house that there was no ulterior motive, no attempt to put something over. This was not done in the dark; it was done in the open and for the good of the industry, and we believe it will be beneficial thereto. At the same time I say again that should there be any representations it is desired to make, the government will be pleased to receive them.

Mr. THOMAS REID (New Westminster): Mr. Speaker, I rise to join my protest with that of the hon. member for Comox-Alberni (Mr. Neill), even at the risk of incurring the wrath of the Minister of Trade and Commerce (Mr. Stevens) and even though I may be blamed by him for taking up some time, although I shall not take an hour and a half. I believe what has happened regarding these orders in council and the conditions affected by them warrant the attention of the house being called to the whole matter. I have not many remarks to make about the particular order in council to which the hon. member for Comox-Alberni referred and covered fully and to which the Minister of Trade and Commerce replied. I wish to speak with especial reference to another order in council that has been passed and that is, I believe, more harmful in its effect and will certainly do more damage to those engaged in the industry than the order in council which has just been under review.

I want first, however, to protest as strongly as I can against the methods used in making these changes without any reference whatever to parliament, and especially changes that are of importance and that might have serious effects. Changes are now made in the law simply by order in council and neither the fishermen concerned nor even members of parliament are aware of them until they see them in either the newspapers or the Canada Gazette. In 1930 the fisheries committee reviewed the whole of the present fishery act. Matters went along rather harmoniously at that time and after every one of us was allowed an opportunity to put forth his ideas. At that time we had a chance to speak on every clause and section. But since that time there have been dozens of changes until to-day the only parallel I can call to mind is the jig-saw puzzle. It is just about as great a puzzle to find out what the act really means as to put together one of those pictures. I ask the committee this question: What is the purpose of the fisheries committee, and why have we one at all. A few days ago the Minister of Agriculture (Mr. Weir) introduced a bill concerning the inspection of hay and straw. Before that bill proceeded far it was referred to the committee on agriculture, so that full opportunity would be given for discussion. Surely in connection with fishery matters we are entitled to the same consideration; surely we should be entitled to a hearing. I maintain all matters of importance affecting the fisheries should go first of all before the fisheries committee so that full opportunity for discussion might be afforded, and so that hon. members may be in a position to make their representations.

The fishing industry should also have a specially appointed minister. To-night it would appear that we have two acting ministers of fisheries. One spoke in reply to the hon. member for Comox-Alberni, and the other is termed the acting Minister of Fisheries (Mr. Duranleau). I believe the fishing industry, involving millions of dollars and the employment of thousands of people, should have devoted to it the full time of a minister. I am bold enough to state that had the Minister of Finance (Mr. Rhodes) who was previously Minister of Fisheries, still been in that position, I doubt very much if these orders in council would have passed without first having the approval of the committee or of the House of Commons. I say, further, that if the hon. gentleman who is now Minister of Finance had continued to act as Minister of Fisheries, I believe he would have given that consideration to hon. members and to the fishing industry in general.

It might be interesting to the house to hear how some of the representations are made regarding the industry. The deputy minister for the past few years has made trips to British Columbia in the interests of the fishing industry. The Minister of Finance, when he was Minister of Fisheries, made one trip, for which we were pleased and also grateful; the British Columbia fishermen were very much pleased with the interest he displayed. When the deputy minister comes to the coast, meetings are arranged with the fishermen. There are two distinct bodies I might say in the fishing industry, namely those who are engaged in fishing and have boats and nets, and the canning interests. I am sorry there are two such distinct bodies, because I maintain the sooner they cooperate and come together the better it will be for the industry.

When the deputy minister comes out west meetings are arranged between the various bodies. I want hon. members to bear in mind, however, that while the meetings with the fishermen are open to the public and the recommendations made to the minister are broadcast, the canning interests also have a secretary in attendance taking notes. They are very cute about it. They do not hold their meetings until after the meetings with the fishermen and the deputy have been completed. Then it is that the canners hold a secret conclave with the deputy minister all on the quiet and so put forward their resolutions and recommendations. Naturally I am very much interested in the fishermen, and still hold that interest. With that in mind I decided to go to one of the meetings of canners, because representing a fishing constituency I thought I ought to know or hear both sides of the industry. You should have seen the look of consternation and fear when I walked into the meeting of canners. They took fright. One of them got up and said, "Mr. Deputy, I thought this was a private meeting where we would be allowed to talk in secret with you. Is the hon. member going to be allowed to listen in?" As a result I was asked to withdraw until they had had an opportunity to discuss my presence and the whole matter. At the time I wished I had a camera, because the moment I entered the room there was a look of consternation in the faces of those men. They were preparing to put recommendations before the deputy minister in secret. In my view that is not the proper way to carry on. The canners and fishermen who have mutual interests should have joint meetings, and at those meetings

both the cannery interests and the men should place their proposals before the deputy or the government. When the fishermen hold their meetings first, the canning interests have time to know what is being proposed or opposed by the fishermen. They then meet in secret and tell the deputy minister what they believe should be done for the good of the industry. They are not thinking or acting on behalf of the fishermen—oh, no; they are acting on behalf of themselves, the vested interests. The cannery interests have considerable capital at hand, and are also in a position to send deputations to Ottawa. In fact, I believe that has actually been done; a deputation did arrive not long ago, at a time I believe previous to the change of the act, by order in council.

We have always understood that we would be told when changes were going to be made. But in connection with the order in council no consideration was given to us at all. Like a bolt from the blue it was put into effect. The first we learned about it was when the notice appeared in the Gazette.

The statement is made that the cannery interests represent all the canners, but I suggest that is not true. In support of that contention I shall read from a letter before me received from Colonial Packers Limited of Vancouver, British Columbia. I believe the deputy minister received a similar communication, reading in part as follows:

> The canned salmon section of the Canadian Manufacturers Association is the only association formed to date by the salmon canners and they certainly do not represent one hundred per cent of the canners, of whom we believe there are nineteen. They are the body who are consulted in cannery matters as a rule, but it is extremely doubtful whether half the canners in British Columbia are members, but the fact that it is dominated by the three large companies is unquestioned.
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> Regarding the amendment to section 27a of the Meat and Canned Foods Act which states "No certificates shall be issued for canned salmon that has not been landed fresh at a cannery for canning within twenty-four hours after being caught, excepting fish that has been gutted and iced immediately after being caught" we should like to inquire; Why not?
>
> Surely the inspection board was created to function in these cases. If they are satisfied that the salmon was fresh when packed what bearing has the length of time in which they were landed on the matter? According to this regulation if a canner lands salmon twenty-five hours after being caught and cans it immediately he is deprived of all chance of a certificate whereas if the salmon is landed twenty-three hours after capture and held in the cannery for a further twenty-four hours it can obtain a certificate if the board passes the product although it might be much older fish than the other. Does this make sense?

I listened with a great deal of interest to the remarks of the Minister of Trade and Commerce. He said there were two sides to the story, but fortunately or unfortunately there are three sides to it. I shall give another side which he has entirely omitted. Not being Deputy Minister of Fisheries, he is probably not aware of what I am about to state. He said the object of the change was to have the fish properly gutted and iced, and so kept fresh and in proper condition. Last year certain canning interests on the Fraser river brought in from the American traps over 27,000 American caught sockeye salmon which were later canned, stamped and sent, I believe, to Great Britain. That is the information I have, and I have stated it to the deputy minister. I am sorry the Minister of Trade and Commerce is not in his seat, because I should like to tell him that the sockeye salmon caught in those traps might have been there two, three or four days, and the longer they are kept in traps the greater is their deterioration. Although brought from the trap to the canneries within probably four hours, they may have been in the trap for five days and so would not be as fresh as fish caught in other districts and brought perhaps a forty-eight hour journey to the cannery.

There is another aspect. I might point out in passing that the canneries who had objected to the poor fishermen sending their fresh salmon across the line when they could obtain better prices there last year themselves deliberately bought fish from the American traps and brought fish in from the United States because they could purchase them a little cheaper. They practically told the fishermen of the Fraser to do what they liked with their fish, because they could buy cheaper on the American side. I think that ought to be taken serious notice of, and I am glad the acting Minister of Fisheries is in his seat. Not only has objection come to the acting minister from the Colonial Packers Limited, but objection has come also from the cooperative association, and, through its secretary, Mr. Maiden, from the British Columbia Fishermen's Protective Association of New Westminster, which is composed of hundreds of members. I might point out that there are over fourteen hundred individual licences issued on the Fraser river, and all those men are vitally concerned in this matter of the transport of fish.

The hon. member for Comox-Alberni (Mr. Neill) and myself are not the only ones who hold the views that we are expounding here to-night, because I note in The Province of February 6 that the Hon. Mr. Howe, the Minister of Fisheries for British Columbia, attended a meeting in New Westminster, and,

speaking about this very same thing, the transport of fish from one area to another, said:

> As dominion inspection of canned salmon takes place it safeguards the public irrespective of where the fish had been transported from to the cannery.

That is the opinion of Hon. Mr. Howe, who is in charge of the fisheries for the province of British Columbia. So we are not alone in regard to this matter.

The most serious matter, however—and I say it in all seriousness to the acting minister—is the question of purse seines in the gulf of Georgia. I might say that on the 8th of February I wrote the acting minister regarding this matter and I received a reply from him dated the tenth, in which he says the question is still receiving consideration. I will just ask you to note that, Mr. Speaker, because at the time that letter was written the order in council had been passed or was being passed. I think it is unfair to write a letter to a member saying that this would receive consideration, "this" being the protest that I was then making against purse seining in the gulf of Georgia, at a time when the order in council had already been passed. I would like some explanation of that, especially if the acting minister is going to reply, because the order in council is of the same date. I do not know who is responsible for the orders in council which have been put into effect, but we had an explanation to-night of who was responsible for at least one of them, when the hon. Minister of Trade and Commerce (Mr. Stevens) took the responsibility for the one regarding the gutting and cleaning of salmon. The men engaged in the industry have been entirely ignored, and by this order in council which allows purse seines in the gulf of Georgia have had it put over them. I will send this map to the minister when I am through. I have it marked, and if he will examine it closely he will see that the area now taken in by the order in council practically cuts across the mouth of the Fraser and blocks the whole river. I would remind him also that gill nets cannot operate where seines operate, so that if seines are allowed here to catch pinks in the mouth of the Fraser it will do away entirely with the men who use gill nets. That is point number one. I am also drawing his attention to another point, that the individual fisherman fishes far into the area now open to seines. It will absolutely do away with the individual fisherman, and at a time like this I maintain is very serious indeed. The acting minister may say: Oh yes, but the pink salmon are in far better condition being caught out there than after they come up the Fraser river. This is questionable, Mr. Speaker, but even so the pink salmon in the Fraser river is not such a serious matter as to warrent the use of seines, because from the particulars before me I find that in 1931, out of 83,000 cases that were canned in district No. 1, which is the Fraser river district, there were only 557 cases of pinks. The year before there was a smaller catch, 13,375, and out of that 896 cases of pinks. So the matter of catching pinks out there is not as serious as either the deputy or the acting minister would have us believe. Another point overlooked entirely is this, that the pink salmon that is caught there does not all go into cans; part is canned, but a great part of the catch is dry-salted and shipped abroad. The Japanese fishermen sent more dry-salted pink salmon to Japan last year than was canned, according to the return of the deputy minister, which I have in my hand. It was valued at roughly $12,000,000. And pink salmon is not only canned and dry-salted; it is also sold to the public and used as one of our excellent fishes to eat fresh.

Another serious matter, and one I would ask the hon. minister to pay some attention to, is this: In 1930 there was a treaty adopted by Canada, called the Sockeye Salmon treaty. It was acceptable to this country, but up to date it has not been passed by the Senate of the United States. I had great hopes that with the change of administration this would pass the United States Senate this year. But by passing order in council No. 274 and allowing purse seines in the mouth of the Fraser and the gulf close to the international boundary I claim we have struck a serious blow at the chances of the passage of that Sockeye Salmon treaty by the United States Senate. If we had approached them and said, "You are using traps and seines below the international boundary and are catching the majority of the fish; we spend thousands of dollars a year in breeding fish which on the return journey are caught by the destructive methods used on your side, by both seines and traps", we might have come to an agreement that would allow us a fifty per cent catch. But now we are attempting to retaliate. We say: They are using seines; now we will use seines. And I suppose this is going to be the thin end of the wedge for the introduction of traps; because they use traps we will say the Canadians might as well use them too. I am very sorry that this move was made at this time, especially since a bill has just been introduced into the Senate of the United States asking for the abolition of the use of

fish traps and seines for the catching of salmon in the Washington state and Puget sound area. I have information to the effect that this bill has been introduced, and I have every reason to believe that it has a good chance to pass the United States Senate.

As I pointed out, Mr. Speaker, on the Fraser river we have about 1,400 individual fishermen. The use of seines at the mouth of the river will actually drive many of those fishermen away or at least curtail their opportunity to earn a livelihood. By using seines at the mouth of the river they will also catch many sockeye; it is stated by the British Columbia Fishermen's Protective Association that there will be probably two pink salmon for every sockeye caught when using seines. Permitting the use of each purse seine will do away with about 150 or 200 fishermen; each seine is equal to about that number of men. The use of seines in certain districts may be all right; I am not saying they never should be used in some districts, but if the minister will take note of this map which I have marked very carefully I believe he will agree that the individual fishermen will be driven off the Fraser river. The fish will not be able to pass the seines and individual gill net boats will be unable to work. It is true that in the United States they have used seines and traps, but we have condemned and still condemn all such methods.

I do not know that I have a great deal more to add with regard to this matter. I believe the order in council has been far too drastic, and I think this and the preceding order in council should have been referred to the committee on marine and fisheries. I thought it was the policy of the department and of parliament to give that committee something to do. Both the hon. member for Comox-Alberni and myself are members of that committee, but apparently it is not to function at all; apparently all regulations are to be put into effect by order in council. The functions of parliament have been taken away, and really if this kind of policy is carried on much further there is little use in our coming here in an endeavour to represent our constituencies if we are to have no chance to present the case of the people who send us. As I say, this order in council affects hundreds of fishermen on the Fraser river. Just why the policy of the department, which has previously been to curtail the use of seines, should be departed from at this time when thousands of men are unable to get employment, I am at a loss to understand. I protest against this measure as strongly as possible. I did not want to bring forward a want of confidence motion, but I am going to ask with all the power I can that the acting minister seriously consider this whole matter and see if it would not be possible to refer all the recent orders in council to the fisheries committee where they can be properly dealt with, and in the meantime to defer any action allowing the use of seines in the gulf of Georgia.

Mr. A. E. MUNN (Vancouver North): I wish to support the hon. member for Comox-Alberni (Mr. Neill) and the hon. member for New Westminster (Mr. Reid) in this matter. I have a number of fishermen in my riding, and whenever I meet them they always complain about the changes in the regulations. They do not know what is going to happen from one year to another. I think altogether too many changes are made to suit the whims not of the fishermen but of the canners.

I am sorry the Minister of Trade and Commerce (Mr. Stevens) is not in his place; I was going to take exception to the licking he undertook to hand out to my hon. friend from Comox-Alberni. The minister made the statement that the arguments of my hon. friend were not understandable. Apparently the people in Comox-Alberni understand them; the hon. member has been sent here for many years with big majorities. If there were a by-election in British Columbia to-day and the hon. member for Comox-Alberni and the Minister of Trade and Commerce were to contest the seat, I am sure the minister would be lucky if he did not lose his deposit. The people of British Columbia have a warm feeling for the hon. member for Comox-Alberni.

We in British Columbia are all anxious to see the quality of British Columbia salmon maintained. I am not going into details, but I ask the acting minister it if would not be possible even now to cancel this order in council and refer this proposed regulation to the committee that is ready for action but has nothing to do. I am not a member of that committee, but I do not believe it has done anything this session. Goodness knows this problem could have been threshed out long ago. The minister of Trade and Commerce was in Vancouver a short time ago, and no doubt he discussed this matter while he was there. It is not at all likely that he had any representations from the fishermen, and I should like to know where the minister got the information that led him to believe these changes should be made. It seems to me any proposed changes should be considered in Vancouver, which would permit the fishermen to make representations in their own behalf. The canners can come to Ottawa, but the fishermen are not able to do so.

I will not take up more of the time of the house, but I do think the government should drop this business of government by order in council. What good are we here? What are we here for? This matter could have been threshed out long ago by the committee on marine and fisheries, and I would ask the minister even now to consider cancelling this order in council and leaving the matter to that committee.

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): I do not intend to answer in detail the remarks of the hon. member for New Westminster (Mr. Reid) and the hon. member who has just taken his seat (Mr. Munn). My colleague the Minister of Trade and Commerce (Mr. Stevens) has fully covered the ground. With regard to the two matters brought up by my hon. friend from New Westminster, particularly with reference to purse seining at the mouth of the North Fraser river, let me assure the hon. member that we will study the question very closely. This is a very important matter, and this government has in mind only one end; that is the welfare of the fishermen, of the business interests and of the country at large. Those orders in council were adopted after consideration by the officials of my department, who are men of long experience, and by the government. After listening to my hon. friends, however, let me say that we will again consider these matters, and I hope we will come to some reasonable conclusion. That is all I can say at the moment.

## ALLEGED MALADMINISTRATION IN DEPARTMENT OF MARINE

Hon. ALFRED DURANLEAU (Minister of Marine): I would ask to be allowed, Mr. Speaker, to say a few words with regard to a matter brought up the other day by the hon. member for Comox-Alberni (Mr. Neill) with regard to some repairs made on the trail between Bamfield and Pachena, on the west coast. My hon. friend brought this matter up the other day without any previous notice, and I want to say that he was unfair to the Minister of Marine and even to this house when he made the statements he did about the minister.

This is a contract for $1,000 for repairs to five little wooden bridges on that trail and the hon. gentleman made the statement that he was bringing up the matter here because he had received no satisfaction from the Minister of Marine although he had been in correspondence with him since October last—

Mr. NEILL: With his department.

Mr. DURANLEAU: —without results, without reply. I could not answer the other day; my hon. friend had his file in his hands and I had none here. However, I was amazed when I came back to my office to discover that the first and only letter which was directed to the minister by my hon. friend was a letter dated February 9, 1933. This letter was received at my office on the following day, the 10th, and the hon. gentleman brought the matter up in this house on the following Tuesday, the 14th. Now I say, Mr. Speaker, that this statement was absolutely unfair to the minister—the statement that he had been in communication with the minister since last October. I have his statements here. He said, "I have been writing to the minister since October."

Mr. NEILL: It should have been the department.

Mr. DURANLEAU: And further he says that "you cannot get replies to letters." I say that was absolutely unfair. I had only one letter which was received at my office on the Friday, and on Monday morning, when I came back from the week-end in Montreal, I wired immediately to my marine agent in Victoria, asking him for particulars about that contract. My hon. friend, in that letter dated February 9, summarized the charges he made the other day, that in connection with that contract of $1,000 the contractor had made a profit of $700. On the Monday I wired to my marine agent in Victoria in these words:

In connection with McDonald contract repair bridges on trail between Bamfield and Pachena, it is necessary to know at once how long McDonald took to do work, how many men he employed, what wages he paid to each, amount of material McDonald supplied and how much profit he made on the job. Wire reply soon as possible.

That was on the 13th, the following Monday, and before waiting for my reply my hon. friend got up on the following day and made the charges which I have just stated. The hon. gentleman compared this contractor to highwaymen, to Bill Miner, who robbed the Canadian Pacific, and so on.

Now what are the facts? The answer I received was this:

Your wire repairs bridges Bamfield. Work lasted twenty-seven days. On account lateness of season men worked every day at ten and one-half hours per day September twentieth to October seventeenth. Crew consisted six men, four men at four dollars per day and board, one at five dollars per day and board, one at six dollars per day and board, total wages seven hundred and forty-five dollars. Expenses food ninety-six dollars camp equipment and launch hire one hundred and seventeen dollars, material furnished by contractor forty-two dollars. Contractors profit represented by

wages as already stated at six dollars per day. Contractor also carried out considerable additional work. Work completed thoroughly satisfactory manner.

My hon. friend stated that he had been in communication with the minister since October last without receiving any reply or any satisfaction. As a matter of fact, he had been in communication with my assistant deputy minister since last October and he received an answer to every letter he wrote, obtaining every possible detail with regard to the contract.

I do not want to take up the time of the house giving full details, but I can assure the house that the hon. gentleman was treated in the fairest possible manner by my department. I can also assure the house that my instructions to my officials are to be considerate to every member of this house whether on the other side or on this side, and if there is one instance in which those instructions have been carried out to the limit it is on this occasion. They even sent my hon. friend the tender for these works, not only the details but even the tender, and he received every explanation.

There was absolutely nothing wrong in this matter. It was a small contract of $1,000. The hon. gentleman said that they should have asked for tenders. Well, he was told why tenders were not called for by my department. It was suggested by our agent at Victoria, Colonel Wilby, that no tender should be called for in order that local labour only be employed. That was the information given my hon. friend by the department. The works had been estimated by one official of my department to cost $1,300, and they were estimated by Colonel Wilby himself, who is an engineer, to cost $1,220.

Mr. NEILL: Was he on the ground?

Mr. DURANLEAU: That is the information I received. As a matter of fact, the total work cost $1,189.72.

Mr. NEILL: More than the contract.

Mr. DURANLEAU: —and the profit of the contractor, according to the information I have received, was exactly $162, that is, his wages for 27 days at $6 a day.

Mr. NEILL: How did it come to $189 more than the contract?

Mr. DURANLEAU: The contract was for $1,000 plus certain materials to be supplied by the department. We supplied lumber to the value of $154.35, hardware to the value of $35.37, and the contractors supplied the rest to the value of $42. I claim that my hon. friend was absolutely unfair to the minister and to this house when he represented the facts in the manner he did. There was nothing in this contract that was at all reprehensible. I thought it was only fair to the house and to the officials in my department that I should give this explanation.

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

DEPARTMENT OF NATIONAL REVENUE

Salaries, $865,692; contingencies, $40,000.

Mr. RALSTON: What is the reason for the increase?

Mr. RYCKMAN: The increase is very small.

Mr. CASGRAIN: I think it would be well to ask the minister to have this item stand. The right hon. the leader of the opposition (Mr. Mackenzie King) has suggested that all items dealing with salaries should stand until the legislation in connection with the salary deduction is passed.

Mr. RYCKMAN: I think that position is quite fair. Perhaps we could take up the contingencies.

Mr. NEILL: I do not see how we could pass one portion of the vote and not the other.

Mr. CASGRAIN: What is this vote for?

Mr. RYCKMAN: The amount is arrived at by taking the average for the six months in the current year. The amount is split up as follows:

Clerical and other assistance, $15,000.
Printing and stationery, $9,500.
Sundries, $15,500.

This is $2,000 less than last year.

Mr. CASGRAIN: Perhaps this part of the item should also stand.

Item stands.

DEPARTMENT OF MARINE

Lighthouse and coast service — amount required to pay compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C., $500.

Mr. CASGRAIN: What is this vote for?

Mr. DURANLEAU: This is a compassionate allowance to John Davidson, former lightkeeper at Cape Mudge. The same vote has been in the estimates for years.

Mr. CASGRAIN: In what district is that?

Mr. DURANLEAU: I think the hon. member for Comox-Alberni (Mr. Neill) can tell you.

Item agreed to.

Marine signal service, $99,000.

Mr. CASGRAIN: Has a signal been placed on the light upon the island of Anticosti in the county of Charlevoix-Saguenay?

Mr. DURANLEAU: I do not think any new apparatus was installed last year. This vote is for service, not for new construction.

DEPARTMENT OF MINES

Mines and geological survey—for administration of the Explosives Act (chap. 62, r.s., 1927), $10,000.

Mr. CASGRAIN: Are there any salaries in this item?

Hon. W. A. GORDON (Minister of Mines): It is partly salary.

Mr. CASGRAIN: Then perhaps this item could stand.

Item stands.

Miscellaneous—grant to Imperial Institute, $9,733.33.

Mr. CASGRAIN: Would the minister explain the reason for this grant?

Mr. GORDON: This is under an agreement with the United Kingdom and the other dominions. It is one of those institutions that were set up in Great Britain for the purpose of assembling information in connection with the mineral resources of the empire. Under the agreement each dominion contributes so much money, Canada's contribution being as is indicated in the item, $9,733.33.

Mr. JACOBS: Is that in Canadian funds or English currency?

Mr. GORDON: I do not know.

Mr. CASGRAIN: How long has this agreement been in force between the government of this country and those of England and the other dominions?

Mr. GORDON: If I recollect aright, since 1923.

Mr. CASGRAIN: How long has it to run?

Mr. GORDON: At the present time a conference is taking place in London with a view to consolidating the various efforts such as this that have to do with assembling empire information with respect to many matters including minerals, and I am hopeful that after this conference has concluded its work, all these matters will be consolidated in one information bureau. If that takes place, then this vote will disappear and probably be absorbed in a general vote covering items of this character.

Mr. CASGRAIN: Are any reports from this Imperial Institute available at present?

Mr. MACDOUGALL: They have been available for eight years.

Mr. GORDON: I imagine there are reports, although I have seen them only when I have sought some special information. At times I have received information from the institute with respect to certain minerals. I have not seen any comprehensive annual report; I am not sure there is one.

Mr. RALSTON: I do not wish to be disrespectful, but as a matter of fact is the institute anything more than a post office, if I may so say, or a collection office through which are transmitted reports received from various parts of the empire? In other words, is a synopsis made of these reports and a new report published, or are just such pamphlets as are thought to be of use to some particular part of the empire transmitted through that office?

Mr. GORDON: I would not go so far as to say that it is merely a post office. It is essential, and the mining industry considers it essential, that information should be assembled from various parts of the empire showing what minerals they have in abundance, what minerals they are short of, what minerals we could export to them, what minerals we are short of and could get within the empire, and whether those mineral deposits have been developed or are capable of being turned into industry. Matters of that kind are assembled in the Imperial Institute and from time to time the Dominion of Canada has turned toward the institute for that information. Personally I believe the institute has been of more service to the colonies than to the dominions; that has been my view for some years, and I am not at all wedded to the continuance for any great period of time of this institute without a revision of its activities. As I said a few minutes ago, I believe after the conference to which I have referred these various activities will be coordinated, their expense reduced and their usefulness to those seeking information about various parts of the empire and their products increased.

Mr. RALSTON: What I was really trying to find out was whether anything was done there in the way of expert work or whether it was more or less clerical, if I may so term it, synopsizing the various reports received. It occurred to me that the transmission of these reports from various parts of the empire could, in these times when conditions are difficult, be done directly between the different parts of the empire instead of the information having to go through a central office, and that such reports as were useful to us could be used in our Department of Mines and others discarded rather than that they should all go to a central bureau and be distributed from it.

Mr. NEILL: Did I understand the minister to say that this institute had been in operation only since 1923?

Mr. GORDON: That is my recollection.

Mr. NEILL: I have an idea, unless I have the wrong name in my head, that this had been running for about forty years and that at one time it was considered as being of great advantage, but for some years it has died out altogether. Could this information not be obtained through Canada House?

Mr. GORDON: I believe so.

Item agreed to.

Miscellaneous—to provide for payments in connection with the movements of coal under conditions prescribed by the governor in council and for the cost of administration thereof, $2,000,000.

Mr. CASGRAIN: Will the minister explain the increase of $250,000?

Mr. GORDON: The increase is because more coal has been moved subject to what is known as subvention. This increase is to take care of that extra movement of coal upon which subvention is paid.

Mr. REID: Is this a rebate given to the railway companies for transporting coal?

Mr. GORDON: No. Under the coal subventions the money is paid to the producer of the coal, not to the railways. The subvention applies not only to a comparatively small movement for the railways, but east and west for coal used for industrial purposes. That is where most of the money involved in this vote goes.

Mr. NEILL: Does this cover payment to the coal mines in Vancouver island?

Mr. GORDON: Yes.

Mr. NEILL: As this amount is larger than formerly and as I presume we are voting it for the future, am I justified in assuming that the grants will be continued after they lapse as they will in June of this year?

Mr. GORDON: It is the intention of the government at present to see that the various orders in council establishing the subventions are renewed, and those who contemplate making the usual spring contracts have been advised that it is the intention of the government to renew these subventions in order that there will be no anxiety in regard to entering into contracts for the coming year.

Mr. NEILL: For what period will they be renewed—a year?

Mr. GORDON: The subventions being payable out of a vote of this character are of necessity only for the current year, because they come out of money voted by parliament for the purpose and not under a statute. Therefore this will be until the end of the fiscal year 1934.

Mr. NEILL: But the existing grant runs out in June, 1933. Will the government renew it for another year or will it be renewed only for nine months?

Mr. GORDON: If it were possible to renew it for a whole year, I see no objection to doing so, but my view at the moment is that we can renew it only until the end of the next fiscal year. If it is renewed again, then it would be for a twelve months period.

Mr. BENNETT: Or done by a supplementary estimate.

Progress reported.

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

END OF VOLUME II.